



Daily Report

China

FBIS-CHI-90-243
Tuesday
18 December 1990

Daily Report

China

FBIS-CHI-90-243

CONTENTS

18 December 1990

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

Yang Shangkun, Others Attend CITIC Reception /XINHUA/	1
Commentary Assesses Bush's South American Tour /RENMIN RIBAO 13 Dec/	1
Shanghai Hosts Stock Exchange Operations Seminar /XINHUA/	2

United States & Canada

U.S. Envoy Opens Information Service Center /XINHUA/	2
--	---

Soviet Union

'Yearender' Views Soviet Path to Market Economy /XINHUA/	2
Border Troops Tour Cities in Xinjiang /XINJIANG RIBAO 29 Nov/	4

Southeast Asia & Pacific

Railways Delegation Concludes Visit to Burma /XINHUA/	4
Comparison—Li Peng Holds Talks With Aquino	4

Near East & South Asia

Reportage on Li Peng's Visit to Sri Lanka	4
Announces Loan Decision /XINHUA/	4
Leaders Urge Peace in Gulf /Tokyo KYODO/	5
Banquet Speech Notes Friendship /XINHUA/	5
Premadasa Seeks Cooperation /XINHUA/	6
Area Stability, Development Urged /XINHUA/	6
Li Meets Former President /XINHUA/	6
Prime Minister Hosts Lunch /XINHUA/	6
Yang Shangkun Shows Sympathy to Kuwaiti Delegation /XINHUA/	6
NPC Official Meets Iranian Friendship Group /XINHUA/	7
Analysis on Chances for Fair Bangladesh Elections /XINHUA/	7

NATIONAL AFFAIRS

Political & Social

More on NPC Standing Committee 9-Day Meeting /XINHUA/	9
Political Situation Before 7th Plenary Session /Hong Kong PAI HSING 16 Dec/	9
Chi Haotian on Discipline Inspection Work /JIEFANGJUN BAO 24 Nov/	10
Central Committee Organs Stress Grass-Roots Work /XINHUA/	10
Song Ping, Others Visit Light Industry Expo /XINHUA/	11
CYL Central Committee Plenary Meeting Ends /XINHUA/	11
Li Ruihuan Lauds Advanced Cultural Workers /XINHUA/	12
Yao Yilin, Others Mourn Death of Zhang Pingkai /XINHUA/	13
Deng Xiaoping Writes New Masthead for Newspaper /XINHUA/	13
Chen Yun Writes Title for Book on Revolutionary /XINHUA/	13
Wan Li Attends Billiards Contest in Beijing /XINHUA/	13
National Conference on Cadres' Files Ends /RENMIN RIBAO 9 Dec/	13

Foreign Affairs Office Directors' Meeting Held / <i>Haikou Radio</i> /	14
Characteristics of Socialist Literature, Art / <i>RENMIN RIBAO</i> 29 Nov/	14
Family Planning Official Stresses Contraception / <i>XINHUA</i> /	16
Notes Greater Pressure / <i>XINHUA</i> /	17
Family Commission Predicts 1.6 Billion by 2050 / <i>CHINA DAILY</i> 18 Dec/	17
QIUSHI No 24 Table of Contents Carried / <i>RENMIN RIBAO</i> 15 Dec/	18

Science & Technology

New Yun-8 Plane Makes Maiden Flight / <i>XINHUA</i> /	18
Maritime Satellite Station Begins Operations / <i>Beijing Radio</i> /	18
Schools of Higher Learning Mainstay of Research / <i>XINHUA</i> /	18

REGIONAL AFFAIRS

East Region

Anhui Economic Inspection Departments Examined / <i>ANHUI RIBAO</i> 5 Dec/	20
Jiangsu People's Congress Committee Holds Plenum / <i>Nanjing Radio</i> /	20
Aquatic Industry Expands in 7th 5-Year Plan / <i>Jinan Radio</i> /	21
Shandong Worker Ranks Grow in 7th 5-Year Plan / <i>Jinan Radio</i> /	21

Central-South Region

Report on Guangdong Chief Procurators Meeting / <i>Guangzhou Radio</i> /	21
Zhao Fulin Attends Guangxi Plenary Session / <i>Nanning Radio</i> /	21
Hou Zongbin Visits School, Views Party Spirit / <i>Zhengzhou Radio</i> /	22

Southwest Region

Tibet Prepares for Liberation Anniversary / <i>Lhasa TV</i> /	23
Pu Chaozhu at Spiritual Civilization Meeting / <i>Kunming Radio</i> /	24

North Region

Metallurgical Industry Develops in 7th 5-Year Plan / <i>Hohhot Radio</i> /	25
Highway Building Expands in 7th 5-Year Plan / <i>Hohhot Radio</i> /	25

Northeast Region

Sun Weiben on Developing Township Enterprises / <i>Harbin Radio</i> /	25
Inspects State Farm Enterprises / <i>Harbin Radio</i> /	26
Heilongjiang Provincial Personnel Changes Noted / <i>HEILONGJIANG RIBAO</i> 4 Nov/	26
Jilin's Wang Yunkun Views 1991 Planning Work / <i>Changchun Radio</i> /	26
He Zhukang Addresses Theory Study Meeting / <i>Changchun Radio</i> /	27
Jilin Advisory Commission Holds Plenary Session / <i>Changchun Radio</i> /	28
Liaoning Development in 7th 5-Year Plan Viewed / <i>Shenyang Radio</i> /	28

Northwest Region

Gansu Secretary Gu Jinchi Visits Baiyin City / <i>Lanzhou Radio</i> /	29
Xinjiang To Conduct Education in Rural Areas / <i>Urumqi TV</i> /	29

PRC MEDIA ON TAIWAN AFFAIRS

Common Efforts for Unification Urged / <i>RENMIN RIBAO</i> 9 Dec/	30
KMT Stance on Taiwan Independence Viewed / <i>RENMIN RIBAO OVERSEAS EDITION</i> 8 Dec/	30
Taiwan Draft Regulations Discussed / <i>RENMIN RIBAO OVERSEAS EDITION</i> 11 Dec/	32
Taiwan 'Security Problem' Viewed / <i>Hong Kong LIAOWANG OVERSEAS EDITION</i> 10 Dec/	34

TAIWAN

Illegal Mainland Immigrants To Be Deported /CNA/	38
Trade With Southeast Asia Grows 22 Percent /CNA/	38
More Trade Offices in Germany Planned /CNA/	38
Ambassador Donates Toys to Panamanian Children /CNA/	38

HONG KONG & MACAO

Hong Kong

Hong Kong Bank Moves To Ensure Future /HONGKONG STANDARD 18 Dec/	39
Timing Surprises PRC /HONGKONG STANDARD 18 Dec/	40
PRC Official Noncommittal /SOUTH CHINA MORNING POST 18 Dec/	40
Editorial on Bank Move /WEN WEI PO 18 Dec/	40
Bank Move Viewed /TA KUNG PAO 18 Dec/	41
PRC Urges More Consultations With UK /SOUTH CHINA MORNING POST 15 Dec/	42
Zhou Nan Sees Closer Relationship With Shenzhen /HONGKONG STANDARD 18 Dec/	43
'Roundup' Notes Growing Investment in Hong Kong /XINHUA/	44

Macao

Ye Xuanping Writes Title for Macao Poetry /XINHUA/	44
--	----

General

Yang Shangkun, Others Attend CITIC Reception

OW1712175690 Beijing XINHUA in English
1631 GMT 17 Dec 90

[Text] Beijing, December 17 (XINHUA)—A product of China's open policy and a window on the outside world, the China International Trust and Investment Corporation (CITIC) has now become an international and multi-functional socialist conglomerate.

Chairman of the Board of CITIC and Vice-Chairman of the Standing Committee of the National People's Congress Rong Yiren said this at a new year reception this evening in the Great Hall of the People.

Chinese President Yang Shangkun, Standing Committee member of the Central Advisory Commission Zhang Jinfu, Secretary-General of the State Council Luo Gan and several hundred foreign and Chinese guests were present at the reception.

Rong said that, as it enters its second decade of development, CITIC has put the emphasis of its work on improving its management, enhancing economic results and using foreign capital in a prudent and effective way to carry out business in China's coastal regions as well as overseas. In this respect, it has already achieved positive results, he noted.

It is learned that since the beginning of the year three subsidiary companies—CITIC Information Inc., CITIC Metal Inc. and CITIC Chemical Inc.—have been set up. In addition, CITIC acquired a portion of the shares of Hong Kong Telecom with funds raised in the international market. The successful launching and operation of the Asiasat 1 commercial satellite, in which CITIC invested and operated with other partners, blazed a new trail for China's participation in international commercial satellite launching, Rong said.

Commentary Assesses Bush's South American Tour

HK1712121290 Beijing RENMIN RIBAO in Chinese
13 Dec 90 p 7

[“Commentary” by staff reporter Zhu Manting (2612 3341 1656): “Bush's Tour of Five South American Countries”]

[Text] Caracas (RENMIN RIBAO)—U.S. President Bush made a quick visit to five South American countries—Brazil, Uruguay, Argentina, Chile, and Venezuela—during a six-day tour. Given the brevity of the tour, aside from an accord on scientific and technological cooperation with Venezuela, no other concrete agreements were made with the other countries. As it was an indication of a major adjustment in U.S. policy on Latin America, it received, however, widespread attention in each of the Latin American countries. The visit marked new and closer relations between the United States and Latin America.

Some newspapers pointed out that Bush's visit was conducted at a time when the crisis in Central America has in general been defused, all Latin American countries have shifted from military governments to popularly-elected governments, and the political relations between the United States and Latin American countries has moved toward harmony. An important subject discussed during the visit was U.S.-Latin American economic relations. At the same time, President Bush also shed more light on the “American proposal” which he raised in July this year to the leaders of each country. Furthermore, following the outbreak of the Gulf crisis, consultation with oil-producing countries in Latin America on the Gulf confrontation and oil issue also became an objective of Bush's visit.

The “American proposal” raised by Bush involves three aspects: The creation of a free trade zone in the Western Hemisphere, debt servicing, and investments. The core of the proposal is the creation of a free trade zone. On this, Bush stressed during his visit that relations between the United States and Latin America were entering “a new era,” and the solution to the economic problems of the Latin American region would “depend not on more assistance but on more trade.” Bush also guaranteed U.S. cooperation with Latin American states in the Uruguay Round of GATT talks to strive for the success of these multilateral trade negotiations. Based on reports, the leaders of the Latin American states reacted positively to this proposal. It thus appears that with the implementation of the “American proposal,” the development of economic and trade relations between the United States and Latin America will become the major feature of U.S.-Latin American relations in the future.

It has been widely maintained in the media that through this Latin American tour, Bush wanted to prove that the United States was treating Latin America from a new angle. During the Reagan administration, the focus was placed on Central America because of a general strategy to contain the Soviet Union; and therefore, the urgent economic problems of most Latin American countries were ignored. The debt issue and trade protectionism became an important obstacle in U.S.-Latin American relations. After Bush's assumption to power and detente in East-West relations, the contradictions in the economic relations between the United States, West Europe, and Japan became more prominent. With the prospect of a unified market in West Europe in 1992, the United States felt that unless an economic organization is formed in the Western Hemisphere, comprising Latin America and with itself as the core, and its own market consolidated, it would be difficult to compete with Europe and Japan. Moreover, if it does not help Latin American countries overcome their economic difficulties, it would be difficult to consolidate the political stability of the region. Hence, Bush's presentation of an “American proposal” was widely seen as a policy turnaround with the United States starting to look at Latin America squarely. After the “American proposal” was raised, Latin American countries welcomed it, however, but also raised many doubts on the concrete definition and objectives of this U.S. proposal. Bush's decision

to visit some major countries in Latin America and carry out private dialogues with their leaders in order to reiterate U.S. determination to implement this proposal was naturally welcomed by the Latin American countries.

It was noted, however, that aside from vociferously praising the democratization and economic opening in Latin American countries, Bush did not offer new ideas or make new commitments. Contradictions between the United States and the Latin American countries in the economic domain continue to exist. On the question of the creation of a free trade zone, given the great difference in the economic strength of the United States and the Latin American countries, the amount of benefits that Latin American countries will get once trade barriers with the United States are removed is still a question mark. In his speech in Brazil, Bush urged that the difference between the First World and the Third World be set aside and instead that it be replaced by a new term, the "New World." The economic and political chasms separating the United States and the Latin American countries cannot be filled, however, by a proposal that has yet to be implemented.

Shanghai Hosts Stock Exchange Operations Seminar

*OW1612185690 Beijing XINHUA in English
1505 GMT 16 Dec 90*

[Text] Shanghai, December 16 (XINHUA)—Nearly 100 businessmen and economists from Shanghai, Hong Kong, Taiwan and the United States gathered here today to share their experiences on stock exchange operations.

The seminar, sponsored jointly by the Shanghai branch of the Communications Bank, Carleo Pacific Ltd. of Hong Kong and the American Eastern Security Co., aimed to prepare for the opening of the Shanghai Securities Exchange scheduled on December 19.

At the seminar participants from Hong Kong, Taiwan and the United States introduced the current situation, systems, operation, supervision and future plans of the stock exchanges in Hong Kong, Taiwan and the United States.

Representative from the Communications Bank, its Shanghai branch and the Shanghai branch of the People's Bank of China spoke respectively on the development of the securities market in Shanghai over the past six years.

The seminar will end tomorrow.

According to the general manager of the Shanghai Securities Exchange, reporters from Hong Kong, Japan, the United States, Britain and France have applied to cover the opening of the exchange.

At the site of the securities exchange, everything has been made ready for its opening. A 12-sq-meter electronic display board has been erected in the center of the exchange and 46 counters for brokers in the shape of U installed.

A computer network connecting with 30 members of the Shanghai Securities Exchange in Shanghai and other cities has also been put into operation. 250 direct-dialing telephones are also available at the exchange.

United States & Canada

U.S. Envoy Opens Information Service Center

*OW1712202990 Beijing XINHUA in English
1604 GMT 17 Dec 90*

[Text] Shenyang, December 17 (XINHUA)—The first Sino-U.S. commercial information service center was set up here today.

James R. Lilley, U.S. ambassador to China, cut the ribbon to open the center, located in the Liaoning Science and Technology Hall.

The center is a commercial service organization which will carry out two-way exchanges in commercial information. It will provide information on trade and investment opportunities in northeast China, and at the same time extend conveniences for Chinese entrepreneurs to learn U.S. commercial information and seek trade opportunities.

At the opening ceremony Lilley stressed that this is the first center of its kind jointly set up by China and the United States. "It turns a new page in Sino-U.S. economic and trade relationships," he said.

The center plans to hold 12 commercial activities in 1991, including Sino-U.S. bilateral trade and investment talks and an exhibition of new U.S. industries.

So far, the U.S. has set up 65 Sino-U.S. cooperative enterprises and 18 agencies of U.S. companies, with a total investment of 250 million U.S. dollars in northeast China.

Soviet Union

'Yearender' Views Soviet Path to Market Economy

*OW1812095590 Beijing XINHUA in English
0657 GMT 18 Dec 90*

[Text] "Yearender: Moscow Hobbles Along on Way to Market Economy (by Sheng Shiliang)"—XINHUA headline]

[Text] Moscow, December 17 (XINHUA)—The switch from a planned to a market economy was a cardinal decision made by the Kremlin in economy this year, but the decision-making itself and the current economic situation in the country show that Moscow has been moving towards its strategic goal with unimaginable difficulties.

The decision was made against the background that the reform started five years had yielded no tangible results. Instead, an economic slide marked by growing shortages in essential goods set in last year. The Soviet authorities

had to decide last March to move towards a "market economy" as the "only way" to extricate the nation from the economic crisis.

However, the decision brought about growing differences within the leadership over ways and means to effect such a switch.

Last May, after intense preparations, Premier Nikolay Ryzhkov submitted to the parliament a "moderate" plan on transition to a "regulated market economy," which stipulates that the whole country should move into a "market economy" by three stages within five years. The parliament failed to pass the program because of a boycott from radical deputies, who have insisted on a "shock therapy" for the economy.

Three months later, mandated by President Mikhail Gorbachev and Russian Federation leader Boris Yeltsin, a group of economists headed by Presidential Council member Stanislav Shatalin worked out a "500-day plan" for switching the country to a "market economy" with a view to "transferring to a different type of social system" by increasing the proportion of private and co-operative ownership to 70 to 80 percent of the national economy.

This "radical" program met with resolute opposition from the Ryzhkov-led government, which advanced a counter-plan by amending parts of the original plan later last May. But the parliament neither agreed with nor opposed the new program at its September session.

To break the deadlock, Gorbachev put forth a compromise proposal—"guidelines for stabilizing the national economy and to switch to market economy." The 66-page document, seen as a combination of both Shatalin's and Ryzhkov's versions, was finally adopted by the parliament in mid-October after a heated debate.

Under Gorbachev's plan, the Soviet Union will complete the transition to a "market economy" within 18 to 24 months. It advocates the coexistence of all types of ownership, including private ownership, on an equal basis, recognizes the basic principles of attracting foreign investments, relaxing prices and establishing a market-oriented financial system, and permits local republics to take their own measures in the switch to a "market economy" in the light of their own conditions.

The Soviets began switching to a "market economy" in extraordinary circumstances. In a resolution on the situation in the country adopted on November 23, the parliament warned: "The situation in the country is worsening and nearing a crisis. Conditions in the political, social and economic fields and on the consumer market are becoming ever more complicated, while the balance between goods supply and money is being upset. Tension in ethnic relations is growing to dangerous proportions. The structure of administrative power is crumbling. The negative influence of the 'shadow economy' is increasing, with discipline and order getting lax and the crime rate going up."

Problems are outstanding in the following aspects:

—a continuing economic slide. According to official statistics, the gross national product, national income and labor productivity dropped in the first three quarters of this year by 1.5, 2.5 and 1.5 percent respectively as compared with the same period last year. The total national income this year is expected to go down by 4 percent from last year.

—a worsening situation in finance and international payments. According to the state plan, this year's financial deficit is expected to stay below 60 billion rubles (about 108 billion U.S. dollars), but in fact it has reached 140 billion rubles (about 252 billion dollars), a sharp rise over last year's 92 billion rubles (about 165.6 billion dollars).

—an acute goods shortage on the consumer market which is on the brink of paralysis. Of the over 1,000 items of daily necessities, only more than 20 are available on the market with state guarantee. Such major items as meat, butter and bread are sometimes out of sale—and meat and butter frequently.

—a loosening control by the central government over the operation of the national economy. Though Soviet farmers won a bumper harvest this year, the state plan of grain purchases was fulfilled by only 77 percent. By early November, enterprises had concluded only 40 percent of the projected contracts on goods output and supply for 1991. In switching to a "market economy," local republics have been doing things each in their own ways. While the Russian Federation has been trying to implement the "500-day plan," Kirghizia has been working according to the original plan of the central government.

—bloodshed conflicts in ethnic disputes. 600,000 ethnic refugees have turned away from the country and 12 regions have been placed under a state of emergency.

—a growing crime rate. The number of criminal offenders rose 23.9 percent in the first six months this year compared with the same period last year;

—a continuing instability in the political situation. Reporting on the domestic situation before the parliament on November 16, Gorbachev pointed out, "a real power struggle is under way, with participants acting by hook or by crook. Some individuals are resigned to frenzied attempts to sabotage the prestige of the state policy-making body."

Opinions vary on the prospects of the on-going switch to a "market economy" in the grim political, social and economic situation. Valentin Vologzhin, chairman of the parliament's committee on economic reform, predicted that the consumer goods supply will be improved in May and June next year. But well-known economist Oleg Bogomolov noted the social crisis and economic slide will continue in 1991. It will take two to five years to establish a basic structure of a "market economy." Deputy Premier

Leonid Abalkin stressed. And it will take a whole generation's efforts to build a modern "market economy," he added.

Border Troops Tour Cities in Xinjiang

*OW1412114890 Urumqi XINJIANG RIBAO in Chinese
29 Nov 90 p 3*

[Text] In late September, dozens of Soviet border troops visited Xinjiang's Yining City, Tacheng Town, and other localities near the Sino-Soviet border. The Soviet troops were deeply impressed by the urban development and abundant commodities in Xinjiang's border cities.

On 27 September, the Soviet border troops arrived in Yining City by car from a place some 100 km away. As they entered the city, they were met with lines of white poplars and booming flowers along both sides of the streets. A colonel said: People who came to Yining to visit their relatives told me that Yining is a nice place, but I had some doubts about what they said. Now I can see that my doubts were groundless. After seeing Yining's neat and orderly streets and well-aligned buildings with local nationalistic features, another Soviet soldier reflected: Reforms in China have greatly sped the process of socialist construction. Urban construction here is marvelous. I am surprised to see such a nice city only a few dozens of kilometers away from the border.

In Tacheng, Soviet troops visited local state-owned and collective shopping centers and private stalls. At a clothing center run by individual business operators, some of the troops tried on various kinds of fashionable clothing while other troops used simple Chinese and sign language to inquire about prices, sources of supply, and the sales situation. A soldier said: In the past, I heard only that markets in China are very active; now I personally see how active they are. What a great variety of commodities you have! At Jeminay Town, 25 km from the border, the Soviet troops simply could not stop praising the great variety of leather products of fine workmanship displayed in shops. After being told that some of the leather products were produced by a local factory, a soldier said with great surprise: I cannot believe that a small factory in a border county can make such nice products. I hope the Soviet Union and China will promote border trade here as early as possible. A lieutenant colonel, pointing at commodities displayed in a shop, said: Commodities here really dazzle us. I can tell you frankly that I like all kinds of Chinese products; the only thing is that I do not have enough renminbi.

Southeast Asia & Pacific

Railways Delegation Concludes Visit to Burma

*OW1712224290 Beijing XINHUA in English
1559 GMT 17 Dec 90*

[Text] Yangon [Rangoon], December 17 (XINHUA)—The Chinese railways delegation headed by Sun Yongfu, vice-minister of railways, left here for home this afternoon.

The six-member delegation arrived here on December 10 to pay an eight-day goodwill visit to the Union of Myanmar [Burma] at the invitation of the Myanmar Ministry of Construction.

During the visit, Myanmar Minister for Construction Lt-Gen Aung Ye Kyaw received the delegation and held a dinner in its honor. The delegation also visited Mandalay, the second biggest city of the nation, the Myanmar railway workshop and the Myalpyin Bridge site in Yangon and held discussions with Myanmar public workers.

Comparison—Li Peng Holds Talks With Aquino

HK1712062890

Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese on 15 December carries on page 1 a report by reporters Wang Jinhe [3769 6855 0735] and Zheng Jie [6774 2212], which is entitled "Premier Li Peng Holds Talks With President Corazon Aquino." This version has been compared with the XINHUA English version published in the 14 December China DAILY REPORT, pages 14-15, and found to be identical except for the following variations:

Page 14, column two, first paragraph, only sentence reads: ... December 14—Visiting Chinese Premier Li Peng (adding word)

Paragraph one, only sentence reads: ...relations in 1975. She reaffirmed the Philippines' adherence (changing wording; combining paragraphs)

Page 15, column one, paragraph two, only sentence reads: ...in the past period, have helped enhance.... (changing wording)

Paragraph six, last sentence reads: ...the Chinese people. China opposes "two Chinas".... (combining paragraphs)

Paragraph seven, last sentence reads: ...Li Peng said. He said China may not have.... (combining paragraphs)

Paragraph thirteen, only sentence reads: ...Minister in Charge of the State Commission for Restructuring the Economic System Chen Jinhua, Foreign Economic Relations and Trade Vice Minister Li Lanqing, Public Security Vice Minister Tao Siju, and Foreign Affairs Assistant Minister Xu Dunxin. (rewording)

Near East & South Asia

Reportage on Li Peng's Visit to Sri Lanka

Announces Loan Decision

*OW1712165190 Beijing XINHUA in English
1614 GMT 17 Dec 90*

[Text] Colombo, December 17 (XINHUA)—Chinese Premier Li Peng said here today China is willing to develop relations with all South Asian nations on the basis of the five principles of peaceful coexistence.

Li Peng made the remark during talks with Sri Lankan President Ranasinghe Premadasa this afternoon, shortly after he arrived for a three-day official goodwill visit.

During the talks, Premadasa briefed Li on the summit of the South Asian Association for Regional Cooperation (SAARC), according to Chinese Foreign Ministry sources in Li's entourage.

Li Peng, calling South Asia China's "close neighbor," said it is "our basic policy" to develop relations with all countries in the region on the basis of the five principles of peaceful coexistence.

He expressed the hope that the SAARC will strengthen cooperation and settle disputes among its member countries peacefully through consultation.

The Sri Lankan president gave an account of the country's economic situation and measures taken to improve the economy.

Li, voicing happiness with Sri Lanka's achievements in improving the economy, said every country should make policies and develop economy in line with its actual conditions.

Also, Li announced China's decision to provide Sri Lanka with 50 million yuan (RMB) [renminbi] of long-term, interest-free loans.

The two sides agreed to strengthen cooperation and exchanges in the sectors of medicine and health.

Premadasa thanked China for helping his country preserve historic cultural sites. Li Peng expressed appreciation for Sri Lanka's adhering to the "one-China" policy.

In an exchange of views on the international situation, Li stated China's stand on the Gulf crisis, saying the international community should take all-out efforts towards a peaceful settlement.

Premadasa, agreeing with Li, said Sri Lanka supports the U.N. Security Council's relevant resolutions.

An outbreak of military conflicts will be disastrous to the whole world and produce a profound impact on countries like Sri Lanka, he said.

Prior to the talks, Li and his wife Zhu Lin paid a courtesy call on the Sri Lankan presidential couple at the president's house.

Leaders Urge Peace in Gulf

OW1812003390 Tokyo KYODO in English 2306 GMT
17 Dec 90

[Text] Colombo, Dec 17 KYODO—Chinese Premier Li Peng and Sri Lankan President Ranasinghe Premadasa agreed on Monday to call for a peaceful settlement to the Persian Gulf crisis, a Sri Lankan spokesman said.

Li met with Premadasa for two hours soon after his arrival from Laos and discussed the Gulf crisis.

The two men noted the January 15 deadline for Iraq to withdraw from Kuwait and that the consequences of a military conflict would be catastrophic, said BrAdnian weerakoon, a presidential adviser on international affairs.

The Chinese and Sri Lankan leaders agreed that Arab states should have a bigger say in resolving the Gulf crisis, the spokesman said.

Premadasa told Li that Sri Lanka would broaden and deepen its relations with India on the basis of a bilateral friendship treaty.

Li pledged an interest-free 50 million yuan loan for five years starting 1991.

Li arrived in Sri Lanka earlier in the day on the last leg of a Southeast Asian tour which has already taken him to Malaysia, the Philippines and Laos.

Banquet Speech Notes Friendship

OW1712192590 Beijing XINHUA in English
1838 GMT 17 Dec 90

[Text] Colombo, December 17 (XINHUA)—Sri Lankan President Ranasinghe Premadasa gave a grand banquet here this evening to welcome Chinese Premier Li Peng, who arrived here earlier for a three-day official goodwill visit.

In his welcome speech, President Premadasa said that the friendship between Sri Lanka and China "has been nurtured by many visits at official level."

"There are disparities in size, population and power between Sri Lanka and China. We have however, achieved a unique relationship," he said.

He noted that "China's greatness lies not merely in its size. To us it lies in its ability to conduct its relations with small countries such as ours on the basis of friendship and equality."

"In international field, we both adhere to the principle enshrined in the Charter of the United Nations" and "we believe in the non-use of force and non-interference in the internal affairs of states," Premadasa said.

Li Peng, recalling the long years of "a profound, traditional friendship," said China and Sri Lanka have always treated each other on an equal footing, lived in amity, sympathized with and supported each other.

The Sino-Sri Lankan relationship has become a model for relations between states with different social systems, Li said.

With joint efforts on both sides, that the friendship will "surely roll on incessantly," he said.

In the toast, the Chinese premier spoke highly of Sri Lanka's achievements in safeguarding national independence, sovereignty and territorial integrity and in developing the economy.

Also, Li voiced appreciation for the country's independent and non-aligned foreign policy.

Premadasa Seeks Cooperation

*OW1712194490 Beijing XINHUA in English
1918 GMT 17 Dec 90*

[Text] Colombo, December 17 (XINHUA)—Sri Lankan President Ranasinghe Premadasa said here today that his country looks forward to deepening and expanding its relations particularly in the field of economic co-operation with China.

The Sri Lankan president was speaking this evening at a state banquet he hosted to welcome Chinese Premier Li Peng on his official goodwill visit to Sri Lanka.

The visit, Premadasa said, will be marked by the signing of a memorandum of understanding on bilateral economic co-operation and assistance.

It will serve further to intensify the economic ties between the two countries, he said, adding that it will also identify new areas of assistance and joint endeavour.

President Premadasa noted that the collaboration between Sri Lanka and China has been in diverse fields—food production, agriculture, farming, generation of hydro-power, textile manufacture, the development of religious and cultural sites. Sri Lanka has benefitted greatly through this fruitful co-operation, he said.

The Sri Lankan president said that Chinese assistance to Sri Lanka has been always generous. The Bandaranaike Memorial International Conference Hall and the superior courts complex given by China "are lasting monuments to our friendship," he remarked.

Premadasa said that China's greatness lies not merely in its size. "To us, it lies in its ability to conduct its relations with small countries such as ours on the basis of friendship and equality," he said.

In the international field, he said, both Sri Lanka and China share a common stand in the peaceful settlement of disputes.

Area Stability, Development Urged

*OW1712193490 Beijing XINHUA in English
1920 GMT 17 Dec 90*

[Text] Colombo, December 17 (XINHUA)—Visiting Chinese Premier Li Peng said here today he expects to see a South Asia of peace and development.

The Chinese premier was proposing a toast at a banquet hosted by Sri Lankan President Ranasinghe Premadasa this evening to welcome him on an official goodwill visit to this country.

Li, calling South Asia as China's "close neighbor," said people of the region have maintained extensive contacts and links with the Chinese people.

He congratulated the South Asian Association for Regional Cooperation on the successful convocation of its fifth summit meeting.

Also, he said, China hopes that South Asian countries continue to live in amity on the basis of the five principles of peaceful coexistence and seek common progress so as to make South Asia a region of peace, stability and development.

Describing peace and development as "an issue of common interest" of the world's people, Li said that China, along with all the peace-loving countries, will always work towards the goal.

Li Meets Former President

*OW1812092290 Beijing XINHUA in English
0827 GMT 18 Dec 90*

[Text] Colombo, December 18 (XINHUA)—Visiting Chinese Premier Li Peng met former Sri Lankan President J.R. Jayewardene here this morning.

Li Peng was greeted by Jayewardene upon his arrival at the latter's residence.

Jayewardene showed the Chinese premier around his garden, which is planted with a variety of flowers and trees.

"This is a nice place," said Li Peng, and he asked Jayewardene whether this was his residence during his presidency. Jayewardene said it was.

After bidding goodbye to the former president, the Chinese premier proceeded to the Parliament where he called on Speaker M. H. Mohamed. The two leaders had a brief conversation.

Prime Minister Hosts Lunch

*OW1812110790 Beijing XINHUA in English
1042 GMT 18 Dec 90*

[Text] Colombo, December 18 (XINHUA)—Sri Lankan Prime Minister D.B. Wijetunge and his wife gave lunch here today at the Temple Trees in honor of visiting Chinese Premier Li Peng and his wife Zhu Lin.

Temple Trees, the official residence of the Sri Lankan prime minister, was decorated with Chinese and Sri Lankan flags fluttering in the air.

The Chinese guests were warmly received by the hosts.

Premier Li Peng was garlanded and his wife Zhu Lin was presented with a basket of flowers by two children before the lunch.

Yang Shangkun Shows Sympathy to Kuwaiti Delegation

*OW1812084690 Beijing XINHUA in English
0809 GMT 18 Dec 90*

[Text] Beijing, December 18 (XINHUA)—Chinese President Yang Shangkun met with a delegation from the

People's Congress of Kuwait led by Dawood M. Al-Saleh, the former mayor of Kuwait city, at the Great Hall of the People here today.

Yang expressed his sympathy for the sufferings of the Kuwaiti people after Iraq invaded and annexed their country, according to a Chinese official who attended the meeting.

Yang said China has always held that all countries, big or small, should be equal and that relations between different nations should be handled on the basis of the five principles of peaceful co-existence.

Yang noted that every country's independence, sovereignty and territorial integrity should be fully respected, and that differences between countries should be handled through peaceful means, not by the use of force, let alone by armed invasion, occupation and annexation of another country.

China has stood behind this principle. Yang went on, and unequivocally opposed the Iraqi invasion and annexation of Kuwait from the very beginning, requesting that Iraq immediately and unconditionally withdraw its troops from Kuwait and restore independence, sovereignty, territorial integrity and the legal government in Kuwait.

The Chinese president stated that the Chinese Government has made its stand clear to Iraq through various channels, asking Iraq to follow the call of the international community, realize the seriousness of the current Gulf situation, take practical steps to achieve peace, and withdraw its forces from Kuwait unconditionally and as soon as possible.

Yang also explained to the Kuwaiti visitors China's stand on the resolutions adopted by the U.N. Security Council concerning the Gulf crisis.

Han Xu, president of the Chinese People's Association for Friendship with Foreign Countries (CPAFFC), was also present at the meeting.

The Kuwaiti visitors arrived here December 16 as CPAFFC guests and are scheduled to leave December 20.

NPC Official Meets Iranian Friendship Group

OW1612074690 Beijing XINHUA in English
0732 GMT 16 Dec 90

[Text] Guangzhou, December 16 (XINHUA)—Seypidin Aze, vice-chairman of the Chinese National People's Congress Standing Committee, met with a delegation from the Iranian-Chinese Friendship Group of the Islamic Consultative Assembly (Majlis) this morning in Guangzhou, capital of south China's Guangdong Province.

The visitors are led by M.I. Asgharzadeh, member of the Presidium and chairman of the Iranian-Chinese Friendship Group of the Majlis.

Analysis on Chances for Fair Bangladesh Elections

OW1512085590 Beijing XINHUA in English
0814 GMT 15 Dec 90

[“News Analysis: Bangladesh's Caretaker Government Determined To Hold Fair Elections (By Hu Guangyao)”—XINHUA headline]

[Text] Dhaka, December 15 (XINHUA)—The interim caretaker Government of Bangladesh is determined to hold free and fair elections on March 2, but whether the elections can be smoothly and successfully held, it certainly also depends on the role of the major political alliances and parties.

After assuming office as head of the caretaker government on December 6, Acting President Shahabuddin Ahmed pledged to hold elections within 90 days as per the constitution.

Local press has lauded the interim government for its immediate and effective measures to bring the situation under control following the downfall of ex-President Ershad's government and steps to hold the parliamentary elections in a shortest possible time.

In order to bring about political stability for the elections, the caretaker government arrested former President Ershad and his associates and decided to set up a commission to enquire into allegations against the vice-president and some 20 of his close aides. These steps are believed to stave off any possible hindrance in the way to the elections from the former ruling Jatiyo (National) Party.

Meanwhile, military leaders have assured the acting president of maintaining a neutral position in the political development and extending all-out support to the transitional government to complete its task.

As the three major political alliances—the Eight-, Seven- and Five-Party Alliances—had spearheaded the movement for the ouster of Ershad, their role in the country's political development at this important juncture is very vital. Leaders of the alliances have also pledged to extend cooperation to the caretaker government in holding the elections.

Though the political alliances were united as one in ousting Ershad's government, their platforms are very much different. The eight-party and seven-party alliances in particular are divided on the system of the country. The former advocates parliamentary system and the latter wants a presidential system.

However, the three political alliances have finally agreed on holding parliamentary elections first to set up a more sovereign parliament.

Political analysts here believe that in the coming parliamentary elections, the Awami (People's) League led by Sheikh Hasina, which is the leading party of the Eight-Party Alliance and the Bangladesh Nationalist Party

(BNP) led by Khaleda Zia, which is the leading party of the Seven-Party Alliance, are expected to win most seats in the 300-seat parliament.

The Awami League was the country's first ruling party which spearheaded the Bangladesh liberation war in the then East Pakistan under the leadership of Sheikh Mujibur Rahman, father of the present party leader Sheikh Hasina. Awami League became a major opposition party after its one-party government was toppled in August 1975 when Sheikh Mujibur Rahman was killed in a military coup. It is, however, considered the largest political party in the country having strong and militant organizations at the grass-root level.

Founded in 1978 by Khaleda Zia's husband late President Ziaur Rahman who was assassinated in a military coup in 1981, BNP was the second ruling party and is believed to be the second largest but most popular political party of the country.

Believing that no single party would obtain two-third majority in the next parliament which might create problems in forming a government, leaders of the leftist five-party alliance have put forward a proposal for setting up a national consensus government for the next three years.

They said they have received positive response from the big parties on the question of a national government which will make all political parties of the country pledge-bound to democratic principles.

Elections campaign by various political parties including the three political alliances and the fundamentalist Jamaat-e-Islami Party and other small parties have already started in the country. But to ensure free and fair elections in a 19-year-old nation where there are about 100 political parties, the transitional government will certainly need to make much more painstaking efforts.

Political & Social

More on NPC Standing Committee 9-Day Meeting

OW1712091290 Beijing XINHUA Domestic Service
in Chinese 0800 GMT 17 Dec 90

[By reporter Zhang Sutang (1728 1372 1016)]

[Text] Beijing, 17 Dec (XINHUA)—Zhou Chengkui, spokesman for the General Office of the National People's Congress [NPC] Standing Committee announced at a news briefing today that in accordance with a decision of the chairmanship meeting, the 17th meeting of the Seventh NPC Standing Committee will open in Beijing on 20 December and last approximately nine days.

According to him, the meeting's agenda recommended by the chairmanship meeting includes continuing deliberation of the draft law on protecting the disabled; the draft procedural law on concluding treaties; the NPC Standing Committee's draft decision on banning narcotics; and the NPC Standing Committee's draft decision on punishing criminals for smuggling, producing, trading, and spreading pornography. It also includes deliberation of the Draft Revised Civil Procedural Law (Tentative), the Draft National Emblem Law, and the Draft Income Tax Law of Foreign Funded Enterprises and Foreign Enterprises.

Speaking at the news briefing, Zhou Chengkui said: The meeting will also hear a work report by Forestry Minister Gao Dezan and deliberate reports by the NPC Internal and Judicial Affairs Committee and Overseas Chinese Affairs Committee on results of examining motions by deputies, reports by several NPC delegations on visits to foreign countries, and motions on personnel appointments and removal.

At the news briefing, Zhou Chengkui also answered questions from Chinese and foreign reporters and briefed them on progress in electing new people's congresses at county and township levels, on the NPC and its Standing Committee's plans for legislation, and on progress in handling motions, suggestions, criticisms, and opinions.

Political Situation Before 7th Plenary Session

HK1812101190 Hong Kong PAI HSING in Chinese
No 230, 16 Dec 90 p 5

[Article by Long Tzu (7893 1311): "The Political Situation in Beijing on the Eve of the Seventh Plenary Session"]

[Text] The seventh plenary session will finally be held in late December after a prolonged delay. The cause of the delay has been the difficulty in formulating the Eighth Five-Year Plan and carrying out personnel changes. There will not be big personnel changes, and Li Peng will remain premier because this involves the 4 June incident; if Li Peng steps down, this could be as bad as

admitting the mistake committed in the 4 June crackdown. Those who hold real power in the State Council are Li Peng, Li Tieying, and Luo Gan. When Li Peng was not yet in power, Luo Gan made much effort to pave the way for his assumption of office.

Deng Liqun, rising step by step, is now deputy leader of the Central Party History Group (Yang Shangkun is the group leader, but in name only). Deng Liqun's influence is, as a matter of fact, equivalent to that of a Political Bureau member. No one believes he can enter the Political Bureau Standing Committee, because his image is too bad and this would cause great repercussions.

A sticky problem in personnel changes is whether the octogenarians must step down. Some ministers have resigned, but the octogenarians are unwilling to leave and the Advisory Commission is unlikely to be dissolved. These issues still remain unsettled so far.

Judgments will be passed on prodemocracy activists and a number of them will be "punished." Wang Dan is likely to be released, suggesting the combination of leniency and severity. This is because U.S. Secretary of State Baker will visit China to discuss human rights. Therefore prior to his arrival, China has to pass "reasonable" judgments on the prodemocracy activists to show some "leniency" by commuting sentences for a number of them or releasing some, the purpose being to put up a facade in the presence of this American.

Party membership registration has concluded in the RENMIN RIBAO agency. Hu Jintao has been subjected to a two-year inner-party examination. Party members' records were entered in the party membership registration book. Some party members said: "I feel glorious that the membership registration book indicates my participation in the demonstrations."

The relations between central and local authorities are a little tense. Many provinces feel resentment against Li Peng, even the Planning Commission complained that Li Peng is incompetent in economic leadership. The reason for Wan Li's cancelling his visit to Britain was the difference of opinion between China and Britain on the EEC. The British prime minister did not wish to meet Wan Li, therefore he cancelled the visit. He purposely played tennis and let some foreign reporters see it, to show that he did not have influenza but was unwilling to go to Britain. Fan Zheng deserted the country. Although Xu Weicheng criticized Wan Li by name during a meeting, this was not the reason for his not visiting Britain.

In Shanghai, Qin Benli has been given a two-year inner-party examination.

Beijing civilians do not concern themselves with politics because being concerned about politics is useless. Many intellectuals do not read newspapers at all. When they hear mention of great achievements on television, they will say: "Lies, lies!" On the one hand, commodity prices are soaring; on the other, publicity is being given to

guaranteed-value bank deposits. The interest is "zero," because prices are increasing. So the people said they would not be taken in again next time!

Deng Xiaoping has not met any foreign guests for months, the explanation provided being that young leaders should be allowed to meet foreign guests. As a matter of fact, Deng has to be given an injection before he meets a foreign guest, and injections may exhaust one's strength and are harmful to one's health. Therefore his family members always object to his meeting foreign guests. For this reason, Deng has declined all meetings with foreign guests. Apart from this, his condition has worsened and he has to stay in the hospital. Such being the case, it is all the more impossible for him to meet foreign guests.

Chi Haotian on Discipline Inspection Work

HK1712112390 Beijing JIEFANGJUN BAO in Chinese 24 Nov 90 p 1

[Report by Zhang Hong (1728 5725): "Chi Haotian Urges Secretaries of Discipline Inspection Commissions at All Levels in General Staff Department To Do Discipline Inspection Work Well"]

[Text] Beijing, 23 Nov (JIEFANGJUN BAO)—This morning, Chi Haotian, Xu Xin, Xu Huizi, Han Huazhi, He Qizong, and other leading comrades of the General Staff Department called on all comrades attending the training class for secretaries of discipline inspection commissions of units at and above the divisional level in the General Staff Department. Chi Haotian urged them to grasp discipline inspection work justly and honorably in the course of stepping up party building.

Chi said: Having gone through the test of wind and rain at home and abroad over the past year and more, we have gained a deeper understanding of such major issues as "the issue of party style of a ruling power is one of life and death to the party concerned" and "discipline is the guarantee for implementing a line." To pass down from one generation to another the cause pioneered by the proletarian revolutionaries of the older generation, it is necessary to unify the will and acts of all party members with strict discipline and to carry forward the fine tradition of forging close ties with the masses. He pointed out: Discipline Inspection Commission secretaries assume heavy responsibility for discipline inspection work, which is very important. Whether they perform their work well as Discipline Inspection Commission secretaries depends, first and foremost, on their spiritual conditions and on whether or not they have the character of being upright, open, and aboveboard. He hoped that Discipline Inspection Commission secretaries would do a good job of discipline inspection work in the spirit of being highly responsible for the cause of the party and the people, struggle against all conduct that runs counter to party principle and, with practical action, safeguard the party's image and step up party building. He also hoped that a larger number of

advanced figures setting right party style and safeguarding party discipline would emerge on the 70th anniversary of the founding of the party.

Central Committee Organs Stress Grass-Roots Work

OW1712120490 Beijing XINHUA Domestic Service in Chinese 1037 GMT 15 Dec 90

[Text] Beijing, 15 Dec (XINHUA)—Organs directly under the CPC Central Committee, paying attention to the important work of sending cadres to grass-roots units, have so far organized more than 4,000 cadres, including 30 cadres at the ministerial level and more than 600 cadres at the bureau director level, to conduct studies in more than 30 provinces, autonomous regions, and municipalities, including Yunnan, Tibet, and Quzhou.

In setting a good example of going to the grass-roots units, leaders at all levels directly under the CPC Central Committee took the lead in working at grass-roots units in old revolutionary base areas, areas inhabited by minority nationalities, frontier areas, and poverty-stricken areas. They publicized the lines, principles, and policies of the party and helped grass-roots units and people solve problems encountered in production, work, and daily life. When leaders from the CPC Central Committee Organization Department went to the countryside, they participated in democratic meetings attended by some local leaders. They engaged in heart-to-heart talks with local leading cadres, exchanged opinions with them, and did painstaking ideological work. They played a positive role in helping and uniting local leading bodies. Leaders from the CPC Central Committee United Front Work Department conducted investigations of ways in which to shake off poverty in areas inhabited by minority nationalities, promote economic development, and solve problems in connection with religion. They produced many profoundly analytical reports on their investigations. They also made suggestions on solving concrete problems. Their reports and suggestions have received the intense attention of leading comrades on the CPC Central Committee and State Council, as well as of relevant departments. Leaders from the Ministry of Radio, Film, and Television went to rural areas in Beijing to listen to the opinions and demands of cadres and people about movies and television programs. They also went to colleges and schools under the ministry to hold summing-up meetings with teachers and students on experiences and lessons learned from radio and television propaganda work during the last year's political turmoil. Leading cadres of the CPC Central Committee International Liaison Department received a wide welcome from local comrades when they made situation reports to comrades working at the grass-roots level and publicized the principles and policies formulated by the CPC Central Committee.

All departments directly under the CPC Central Committee, with the goal of closely linking efforts of sending

cadres to the grass-roots level with their respective work, helped grass-roots organs sum up and promote advanced experience, thus solving problems in their own jurisdictions in a timely fashion. Cadres from the CPC Central Committee General Office went to grass-roots organs to supervise and inspect the implementation of policies formulated by the CPC Central Committee. They made suggestions, in accordance with existing problems, to the CPC Central Committee on the further implementation of the decision of the Sixth Plenary Session of the CPC Central Committee. The CPC Central Committee Central Discipline Inspection Commission helped localities examine some grave and important cases while sending cadres to the grass-roots organs. Meanwhile, cadres from the CPC Central Committee Central Discipline Inspection Commission also helped grass-roots organs sum up experiences in building party work style. Their efforts were welcomed by localities. Cadres from the All-China Federation of Trade Unions went to grass-roots units to understand enterprise production and the ideological condition of workers and staff members. They provided suggestions and opinions to relevant departments concerning problems in workers' and staff members' lives. In addition, special funds were appropriated to help workers and staff members in disaster-stricken areas. Cadres from the All-China Women's Federation went to grass-roots organs to conduct investigations in a bid to understand the implementation of the women's self-improvement programs and ban prostitution and abduction and selling of women and children. They gathered a large amount of information in an effort to improve their work.

In their investigations and studies at the grass-roots level, cadres in all organs directly under the CPC Central Committee paid attention to achieving real results through various means. Some sent investigation groups to conduct research in accordance with the central mission of the CPC Central Committee in a particular period or with the goal of combining research with their respective work. Some dispatched their cadres to the grass roots to temper themselves. Some sent recent college graduates assigned to their units to grass roots to temper themselves through work. Some formed joint investigatory teams with other relevant units to conduct research.

In order to sum up experiences of sending cadres to the grass roots and advance the work of sending cadres of organs directly under the CPC Central Committee, the work committee of organs directly under the CPC Central Committee recently held a meeting to exchange experiences. Gu Yunfei, deputy secretary of the work committee of organs directly under the CPC Central Committee, urged all organs directly under the CPC Central Committee to conscientiously sum up experiences and adhere to the principle of making the work of sending cadres to work at the grass-roots level a long-term mission.

Song Ping, Others Visit Light Industry Expo

OW1712024090 Beijing XINHUA Domestic Service
in Chinese 1442 GMT 16 Dec 90

[By reporter Xu Kehong (1776 0344 3163)]

[Text] Beijing, 16 Dec (XINHUA)—Song Ping, member of the Standing Committee of the Political Bureau of the CPC Central Committee this evening enthusiastically visited the First National Light Industry Exposition at the Beijing Exhibition Center.

Song Ping toured exhibition halls displaying science and technology for light industry, products of light industry, and technical equipment for light industry, and made detailed inquiries about the various trades in the industry. He fully affirmed the tremendous progress achieved in light industry for the last 10 years since reform and opening to the outside world.

At the exhibition hall of high-added-value products, Song Ping showed keen interest in the fully automatic plastic pencils and the energy-saving lamps manufactured in Qingdao City and Shanghai respectively. Song Ping said: China faces an acute shortage of timber resources. It is a huge waste to consume over 100,000 cubic meters of linden for the production of pencils annually. I have been looking for wood substitutes for a long time. Now you have done a good job in developing this fully automatic plastic pencil which is conservational, clean, and economical. This product should be widely popularized, so should the energy-saving lamp.

Leading comrades including Tian Jiyun, Song Jian, and Zou Jiahua also visited the exposition this evening.

CYL Central Committee Plenary Meeting Ends

OW1612074390 Beijing XINHUA Domestic Service
in Chinese 1043 GMT 14 Dec 90

[By RENMIN RIBAO reporter Tang Weihong (0781 4850 4767) and XINHUA reporter Hu Xiaomeng (5170 2556 1125)]

[Text] Beijing, 14 Dec (XINHUA)—The five-day Third Plenary Meeting of the 12th Central Committee of the Communist Youth League [CYL] concluded today in Beijing. Liu Yandong, member of the Secretariat of the CYL Central Committee said in a summing-up report that next year is the first year of the Eighth Five-Year Plan and that CYL organizations at all levels are requested to bolster their morale, score new achievements, and continue to advance the CYL work in a pioneering and dedicating spirit while marching toward the 21st century.

Discussing both achievements and problems, the meeting from beginning to end was permeated with a democratic, truth-seeking, united, and vigorous atmosphere. All participants were of the opinion that the meeting was very timely, as it was held on the eve of the

Seventh Plenary Session of the 13th CPC Central Committee and at a time when the Eighth Five-Year Plan is going to be promulgated and put into practice. At the meeting, the participants pooled their wisdom, arrived at a clearer understanding of the current situation and the direction that they should adhere to, and enhanced their consciousness of working for overall interests. They also made clear their missions and tasks, and reinforced their determination and confidence in bringing the CYL work to a new height.

Liu Yandong said in her report: In the first place, the CYL work next year is to make continued efforts to implement the guidelines contained in the party Central Committee's "Circular on Strengthening and Improving Party Leadership Over the Work of Trade Unions, CYL Organizations, and Women's Federations." This will be a long-term task. On the one hand, we should uphold the idea of doing hard work for a long time to come and, based on the requirements and tenets of the above guidelines, draw up plans and measures to implement them in conjunction with the CYL's practical work. In implementing the guidelines, we should see to it that our efforts will start at certain spots and then spread to all units. Also, we should see to it that maximum benefits in all aspects are derived through the implementation of the guidelines in the "circular." On the other hand, we should seize the present opportunity to give prominence to the implementation of the guidelines of the "circular." Second, we should pay attention to formulating the "Main Points of the CYL Work Program During the Eighth Five-Year Plan Period."

She said: Compared with the past few years, this year has been marked by the best external environment for the CYL, the greatest benefits resulting from its activities, and a new situation in improving its grass-roots units. This is also a year in which we have established a rather large number of advanced examples, which have a fairly great influence on our work. We should preserve this fine trend of development and firmly uphold the party's fundamental line of one central task and two basic points. With the "circular" as a mighty motivating force, we should continue to do well in all aspects of CYL work and in our self-improvement effort in accordance with the requirements of "concrete deepening of work, improvement of work quality, perfection and expansion, coordination and innovation."

The plenary meeting adopted a "proposal for confirmation of the removal and replacement CYL Central Committee members and alternate members." A total of 32 people were relieved from the membership of the CYL Central Committee and the vacancies were filled by new members. The new CYL Central Committee is composed of 171 members.

Li Ruihuan Lauds Advanced Cultural Workers

OW1412212390 Beijing XINHUA Domestic Service
in Chinese 1249 GMT 14 Dec 90

[By RENMIN RIBAO reporter Yuan Xi (5913 2522)
and XINHUA reporter Shao Jianwu (6730 1696 2976)]

[Text] Beijing, 14 Dec (XINHUA)—At a meeting with the first group of model workers from cultural departments across the country this morning, Li Ruihuan, Standing Committee member of the CPC Central Committee Political Bureau, called for efforts to extensively publicize the outstanding performance and popularize the advanced experience of grass-roots cultural centers for promoting the development of mass cultural activities and construction of socialist spiritual civilization.

Li Ruihuan said: Cultural centers are grass-roots organizations on the cultural front and the vanguard in the construction of socialist spiritual civilization. Since the Third Plenary Session of the 11th CPC Central Committee, they have done a tremendous job in publicizing the party's principles and policies; spreading scientific, technological, and basic knowledge; and enriching the people's cultural life. At present, many problems and difficulties exist in the cultural centers. On the one hand, it is hoped that they will show understanding for the government's predicament by continuing to adhere to the principle of hard struggle. On the other hand, governments at all levels should do everything possible to solve any concrete problems faced by the cultural centers.

Then, Li Tieying, member of the CPC Central Committee Political Bureau and state councillor, spoke. He urged governments at all levels to give more attention and support to the grass-roots cultural workers. He said: Grass-roots cultural workers are builders of socialist spiritual civilization, and they are carrying out an arduous task. To ensure the successful building of socialist spiritual civilization is the glorious duty of cultural workers in general.

After the speeches, Li Ruihuan, Li Tieying, Duan Junyi, and Hong Xuezhi received all representatives and staff members of a national meeting to exchange experiences and to commend advanced cultural centers, which closed in Beijing today.

During the five-day meeting, model workers of the cultural department and representatives of advanced cultural centers across the country exchanged their experiences.

Vice Minister of Culture Gao Zhanxiang summarized the advanced experiences into the following six points: Always adhering to the orientation of "serving the people and socialism"; displaying the fighting spirit of making unremitting efforts to improve oneself; attaching importance to the building of the rank and file; exploring all available financial resources to foster a new style of jointly promoting cultural activities by the state, collectives, and individuals; consolidating and expanding cultural facilities; and taking the initiative to win the attention and support of party and government departments. He said: The advanced ideas, deeds, and experiences represent an invaluable asset and enormous motive force for promoting mass cultural activities. It is

necessary to further summarize and popularize such experiences so that they can yield fruitful results throughout the country.

He Jingzhi, Xu Zhijian, Gao Zhanxiang, Cheng Lianchang, Liu Deyou, Xu Wenbo, and Chen Changben also attended the meeting today.

Yao Yilin, Others Mourn Death of Zhang Pingkai

OW1612091090 Beijing XINHUA Domestic Service
in Chinese 0224 GMT 15 Dec 90

[Excerpt] Beijing, 15 Dec (XINHUA)—Comrade Zhang Pingkai, a long-tested loyal communist fighter, outstanding CPC member, distinguished political worker and commander of the People's Liberation Army [PLA], and former deputy political commissar of the Shanxi Military District, died of illness in Beijing on 22 November at the age of 80.

A ceremony for paying last respects to Comrade Zhang Pingkai's remains was held in the auditorium of the Babaoshan Cemetery for Revolutionaries in Beijing on 12 December. There were wreaths from Nie Rongzhen, Yao Yilin, Wang Zhen, Qin Jiwei, Yang Baiping, Yu Qiuli, Song Shilun, Zhang Aiping, Cheng Zihua, Hong Xuezhi, and Kang Keqing; and from the Central Military Commission, the Chinese People's Political Consultative Conference National Committee, the Ministry of National Defense, the three general departments of the PLA, the Discipline Inspection Committee of the Central Military Commission, the Beijing Military Region, the Shenyang Military Region, the Shanxi provincial party committee, and the leading organs of Comrade Zhang Pingkai's native province, prefecture, and county [Pingjiang County in Hunan Province]. Song Renqiong, Wang Ping, Wu Xiuquan, Xiao Ke and Liao Hansheng attended the ceremony and presented wreaths. [Passage Omitted]

Deng Xiaoping Writes New Masthead for Newspaper

OW1712103490 Beijing XINHUA Domestic Service
in Chinese 0758 GMT 17 Dec 90

[Text] Beijing, 17 Dec (XINHUA)—According to a report by JINGJI CANKAO BAO [ECONOMIC REFERENCE NEWS], Comrade Deng Xiaoping wrote the masthead JINGJI CAOKAO BAO for the newspaper on 7 December, as it needs a new masthead for offset printing which begins on 1 January 1991.

Sponsored by the XINHUA NEWS AGENCY, JINGJI CANKAO BAO was inaugurated in July 1981. On its third anniversary in July 1984, Comrade Deng Xiaoping wrote an inscription for the newspaper, reading "Develop Information Resources; Serve the Four Modernizations."

Chen Yun Writes Title for Book on Revolutionary

OW1712110290 Beijing XINHUA Domestic Service
in Chinese 0159 GMT 17 Dec 90

[Text] Beijing, 17 Dec (XINHUA)—*The Biography of Teng Daiyuan*, a biographical literary work recording the revolutionary career and glorious achievements of Teng Daiyuan, was published recently by the Liberation Army Publishing House.

Comrade Chen Yun wrote the title, and Comrade Bo Yibo wrote a preface for the book.

Teng Daiyuan was one of the principal leaders of the Pingjiang uprising and founders of the people's railways. The biography, nearly 300,000 characters long and containing more than 20 valuable historical pictures, carries a full and accurate account and many rarely published historical materials.

Wan Li Attends Billiards Contest in Beijing

OW1612200590 Beijing XINHUA Domestic Service
in Chinese 1412 GMT 16 Dec 90

[Text] Beijing, 16 Dec (XINHUA)—The 1990 "Xingpai Cup" celebrities billiards contest was held in the Huiyuan Building in Beijing today. Leading comrades including Wan Li, chairman of the National People's Congress Standing Committee, and Liu Huqing, vice chairman of the Central Military Commission, enthusiastically took part in the contest.

Chairman Wan Li won the title in the Carom Billiards Group A, while Liu Huqing placed first in the Carom Billiards Group B. The title for the Pocket Billiards Group went to Xu Yinsheng, whereas Fu Yongkang grabbed the first place in the (?Balkline Billiards Group).

Xu Yinsheng, vice minister of the State Physical Culture and Sports Commission, presented a commemorative award to the Daxing Billiard Equipment Plant in Beijing, which sponsored the contest.

National Conference on Cadres' Files Ends

HK1812070190 Beijing RENMIN RIBAO in Chinese
9 Dec 90 p 3

[Report by XINHUA correspondent He Ping (0149 1627) and staff correspondent Chan Weiwei (7115 4850 0251); "National Conference of Work on Cadres' Files Ends in Beijing"]

[Text] Beijing, 8 Dec (RENMIN RIBAO)—A five-day national conference of work on cadres' files ends in Beijing today. The meeting decided to shift the future stress of work on cadres' files to the collection of cadres' files and records, and the replenishment of the files' contents.

CPC Organization Department head Lu Feng and his deputy, Zhao Zongnai, attended and addressed the meeting.

The meeting pointed out that work on cadres' files facilitates the implementation of the party's cadre line, principle, and policy; and is one of the basic conditions for doing a good job in cadre work. The quality of the work has a direct bearing on the efficiency and quality of cadre work.

The meeting called for earnest efforts to do a good job in the collection and filing of cadres' records. In order to select and appoint cadres by the standards of having both ability and political integrity to ensure leadership at all levels to be in the hands of Marxists, it is necessary that cadres' files give an overall picture of cadres' political integrity, ability, diligence, and achievements. We are thus required to strengthen the collection of cadres' files, and constantly enrich and replenish the files' contents. The work is of immediate and profound historic significance.

The meeting pointed out that work on cadres' files is no easy task, which is featured by a strong political nature, a high degree of secrecy, and overelaborate work. Many comrades command wide publicity and commendation for strong devotion to their work and their selfless spirit of dedication. A source said that the CPC Organization Department has decided to issue certificates of honor to those comrades who have worked on cadres' files for 30 years and more to commend their long-term contributions to the undertaking of work on cadres' files.

Foreign Affairs Office Directors' Meeting Held

*HK1412151790 Haikou Hainan Provincial Service
in Mandarin 2300 GMT 11 Dec 90*

[Text] The third meeting of foreign affairs office directors from six central and South China provinces and regions was held in Haikou yesterday morning.

The meeting was mainly aimed at exchanging experiences on how foreign affairs work can better serve the development of export-oriented economy and on how to strengthen foreign-related propaganda work in foreign affairs, and how to strengthen personnel building relating to it.

At the meeting, provincial party committee Standing Committee member and Executive Vice Provincial Governor Bao Keming briefed the participants on Hainan's situation of reform and opening up ever since it became a province and special economic zone as well as on foreign affairs work in particular.

Yang Fuchang, Vice Minister of Foreign Affairs, (Liu Ting), deputy director of the State Council's Foreign Affairs Office, (Yang Yonglin), Vice President of the Chinese People's Association for Friendship With Foreign Countries, and (Wu Zhenyuan), deputy chief of the State Bureau of Foreign Experts Affairs, answered questions raised by the participants with regard to our country's diplomatic affairs, foreign affairs, the work of Chinese People's Association for Friendship With Foreign Countries, and the work relating to foreign experts.

The meeting was attended by more than 20 foreign affairs office directors from Henan, Hubei, Hunan, Guangdong, Guangxi Region, Hainan, Guangzhou City, Shenzhen City, Zhuhai City, Wuhan City, and Guilin City.

The leading comrades of various city and county foreign affairs offices of our province also attended the meeting as guests.

Yesterday morning, Vice Foreign Minister Yang Fuchang also made a special report on the current international situation and foreign affairs work in the auditorium of the provincial party committee. More than 1,000 people, including cadres at and above deputy department level from various provincial organs, enterprises, and undertakings, as well as deputies attending the meeting, listened to the report.

Characteristics of Socialist Literature, Art

*HK1812071590 Beijing RENMIN RIBAO in Chinese
29 Nov 90 p 5*

[Article by Han Ruiting (7281 3843 0080): "Clarify the Essential Characteristics of Socialist Literature and Art"]

[Text] Socialist literature and art, together with the socialist ideological system and the socialist system on which they depend for their existence, have gone through wind and rain over the past several decades. The practical results of socialist literature and art over these several decades have been fairly impressive. However, people's theoretical understanding of their essential characteristics and the laws governing them does not quite match these results. When exploring the characteristics and essence of socialist literature and art, people seemed far to prefer proceeding from the general law governing the human development of literature and art to proceeding from socialist life and socialist practice of literature and art. However, if there is no such exploration of the special laws of socialist literature and art on the basis of practice, it will be very difficult for us to have a practical and perfect theoretical understanding of their fundamental characteristics and essence. As Marx said when expounding the characteristics of the proletarian revolution in the 19th century: Such exploration did not need to conceal its contents with the aid of the specters in history as the previous bourgeois revolution did; instead, it just "endeavored to enable itself to clarify its own contents."

Under the conditions of the capitalist era, and when the proletariat had just mounted the historical stage as an independent political force, Marxist classical writers already paid close attention to changes in the domain of literature and art, advocating and calling for literature and art of a socialist nature. On the one hand, they affirmed the works by writers of the new schools at that time, including those by George Sand, Eugene Sue, and Charles Dickens. These works had brought about a thorough revolution in the aspect of characterization by

substituting the poor and the despised class for kings and princes as leading characters in the novels. The lives and fate, happiness and agony of these characters constituted the contents of these novels. At the same time, they were discontented with works which merely expressed sympathy and showed solicitude for the living conditions of the poor and unimportant people. They highly evaluated such works as "The Song of the Weaver" and "The Song of the Weaver in Silesia," and expected the advent of literature and art which took the indomitable, all-powerful, and revolutionary proletarians as main characters. On the other hand, with respect to literary and artistic works that did not directly face the proletariat and the masses of the people, they set a principled demand on them to foster a socialist trend; namely, through the authentic description of practical relations, the works should shatter the prevailing and traditional illusions about such relations, shake the optimism of the bourgeois world, and arouse inevitable doubts about the everlasting existence of things in contemporary reality. In addition, they also enthusiastically called on literature and art which directly described the struggle of the proletariat and the masses of people to resist the oppression of the old world and strive to become masters of the new world. They advocated that such works should occupy an important position in the domain of realism. During the early years of the 20th century, on the eve of the decisive battle for the proletariat to fight for the establishment of the socialist system, Lenin bluntly pointed out that socialist literature and art are openly associated with the proletariat and serve thousands upon thousands of laboring people who are the cream, strength, and future of the nation.

From some of the elaborations and demands put forward by Marxist classical writers with respect to socialist literature and art prior to the establishment of the socialist system, we can at least perceive two important characteristics in terms of their nature and contents. First, they explicitly indicate their open relationships with the cause of the struggle of the proletariat and the masses of the people. They discard all idle talk and false statements on "non-party character," "no inclination," "transcending class," "overriding times," as well as the bragging of serving "the interests and ideals of all mankind," because they understand that only the proletariat and masses of people are true representatives of the cause of human progress. Second, they not only take the proletariat and masses of the people as targets of their service, but also regard them as primary objects for description. "They must be understood and enjoyed by these masses, and enhance them in terms of their emotion, thinking, and will." It can therefore be said that profound and extensive links with broad masses of people are precisely the fundamental characteristics of socialist literature and art and are also the main indications that distinguishes them from any literature and art of the past.

The establishment of the socialist system has undoubtedly opened up the road for the growth and development

of socialist literature and art. Literature and art which were anticipated by Marxist classical writers and directly belong to the proletariat and masses of people have become the main trend of the literature and art movement. Since the founding of the PRC, the practical activities of our country's socialist literature and art have initially exhibited some regular factors which govern them, and have enriched and substantiated the concrete contents of their characteristics and essence. If we slightly review the past events, it is not difficult to detect their manifestations in the following aspects:

First, socialist literature and art truly have the standpoint of the masses of the people, who have become the masters of the state. They enthusiastically reflect the struggle and life of the Chinese people in establishing the socialist system and developing the socialist cause and, through the faithful description of this kind of struggle and life, reveal the correct trends of the historical movement. Whether they be the numerous works which were created during the 1950's and 1960's, displaying the life of revolutionary and historical struggle, or those which emerged in the new period, reflecting the life of socialist construction under the condition of reform and opening up, they are all artistic reflections of history-creating activities of the masses of the people striving to change their life and fate, and are understood and accepted by the vast number of readers. As the conditions of the times have changed, socialist literature and art are faced with a new world and new targets, and their mission has naturally changed from describing practical relations in the old capitalist world, shattering the illusions about them, and casting doubts about their immortality, to positively depicting and affirming practical relations in the new socialist society. This kind of description and affirmation is not only demanded by the inevitable trend of historical development, but also determined by the essential characteristics of socialist literature and art that belong to the people. The deviation of some literary and artistic works in the past few years and the errors of certain works which occurred under the attacks of the ideological trend of bourgeois liberalization were precisely due to misinterpretations of and alienations from the essential characteristics of socialist literature and art.

Second, as a kind of social ideology, socialist literature and art can never sever their close links with the superstructure and economic foundation of socialist society and cannot but exert positive influence on the superstructures and economic foundation. Exerting such influence depends upon the dissemination and consolidation of the socialist ideological system. Therefore, socialist literature and art are bound to demonstrate socialist ideology and aesthetic ideals of writers through profound reflection of life in the socialist era, and use such ideology and ideals to enlighten, influence, and encourage the masses of the people and enhance their spiritual realm. The marked achievements of our country's socialist literature and art and the experiences of numerous outstanding works which have produced extensive influence among the masses of the people have

all indicated that socialist literature and art can neither adopt a frigid and indifferent attitude toward, nor look down upon the people's socialist cause. Instead, they should encourage the masses of people and promote the development of the socialist cause with militant and inspiring thoughts and spiritual force. What produces such thoughts and spiritual force is certainly not such attitudes toward life and values as out-and-out egoism which is full of rapacity for private interests, national nihilism, despair, and depressed mentality, but a high degree of patriotism, collectivism, heroism, and all things that belong to the ideological system of socialism, which are in harmony with the socialist public ownership system. Socialist literature and art do not conceal their artistic mission of publicizing and protecting the socialist ideological system. In this way, it has strictly drawn a line of demarcation with any ideas which claim to develop "art for the sake of art," all literature and art which negate all utility, and "pure literature and art" which take ideology as a non-literary factor and thereby reject it.

Since socialist literature and art have established the orientation of serving the broad masses of the people, they are destined to face a far more extensive and immense domain of life and artistic realm unparalleled in literature and art in the past, and conform with and satisfy the increasingly extensive and diversified artistic needs of the masses of people. Obviously, socialist literature and art must be the richest and most diversified in terms of content and form. It should guarantee not only a vast field for the full development of both subject matters and themes, thought and illusion, styles and flavor, skills and patterns, but also sufficient opportunities for free competition among creative works of different individuality and schools. The "double-hundred" policy has precisely provided substantive guarantees for the development of diversified socialist literature and art. However, the diversification of socialist literature and art must be done under the premise of unified orientation, and must take serving the people and socialism as the starting point and the end result. Without this premise and objective, literature and art would be driven to distraction and become confused and vague. This would thus lead to the spread of things incompatible with socialism.

As products that emerged in the completely new stage of development in the history of literature and art of mankind, socialist literature and art not only bear the general laws and characteristics of literature and art, but also inevitably possess their own particular laws and characteristics. Any vain effort to look up to the laws and characteristics of the old literature and art as the standard and to use them to merge with special laws and characteristics of socialist literature and art with an aim of eliminating them is particularly erroneous. Undoubtedly, only under the premises of abiding by the general laws governing literature and art activities of mankind and inheriting their fine results can socialist literature and art develop. However, only on the basis of the life

and practice of the masses of the people in the socialist era can they be created. Only thus can the art mansion which meets the requirements of the socialist political and economic development and socialist ideological system be built. In this sense, Marx's inference that proletarian revolution can only derive its own poetic flavor from the future, rather than from the past, is something highly worth calling to mind and pondering over.

Family Planning Official Stresses Contraception

*OW1712173390 Beijing XINHUA in English
1520 GMT 17 Dec 90*

[Text] Beijing, December 17 (XINHUA)—A Chinese Government minister said here today that China averted more than 200 million births in the past twenty years, largely depending on contraception rather than abortion.

According to Peng Peiyun, minister in charge of the State Family Planning Commission, had fertility been maintained at the level of the year 1970 for the next two decades the total population on the Chinese mainland would have surpassed 1.3 billion—as opposed to the present 1.133 billion.

Peng, 60, has four children, while her mother has eight children. Peng's three married children want to have only one child each. Peng said that her family reflects the history of China's family planning program.

China advocates late marriage and family planning. Peng said, "abortion does, in fact, play a role in birth control but it is only used as the last resort after the contraception fails".

According to statistics, about 10 million women have induced abortions every year.

The Chinese Government demands that family planning departments carry out family planning policies on a voluntary rather than compulsory basis, according to Peng. "There have been problems of coercion in some areas," Peng said. "However, we are doing our best to give family planning workers a greater sense of responsibility."

Compared with the 1970s, the national average crude birth rate was reduced from 24.16 per thousand to 19.73 per thousand in the 1980s, the average annual natural growth rate from 17.1 per thousand to 13.21 per thousand and the average expected number of children per woman from 4.01 to 2.42, she revealed.

In 1989 the number of fertile women aged between 15 and 49 increased by 24.4 percent compared with that in 1981, and the number of women aged between 20 and 29—who are at their fertility prime—increased by 34.7 percent. The number of children born during the period July 1, 1989 to June 30, 1990 only saw a moderate increase of 12.5 percent compared to 1981.

Specialists estimate that although the absolute number of births in China is still too high women's fertility level has declined and the momentum of rapid population growth has been basically controlled.

Notes Greater Pressure

OW1712173090 Beijing XINHUA in English
1533 GMT 17 Dec 90

[Text] Beijing, December 17 (XINHUA)—China faces severe population pressure with an average increase of 17 million births per year in the next decade.

Peng Peiyun, minister in charge of the State Family Planning Commission, told a press conference today that it will be difficult for China to reach the original goal of controlling its population within 1.2 billion by the year 2000.

Peng stressed that family planning is a long-term task in China. According to the minister, now China is formulating a new population plan for the Eighth Five-Year Plan period (1991-1995) and the following decade. The State Family Planning Commission will do its best to make the average expected number of children per woman drop from 2.35 at present to two by the end of this century.

Statistics show that the Eighth Five-Year Plan, which starts next year, will coincide with a new high-fertility period, during which the annual average number of fertile women will reach 322 million and women at prime fertility ages will number 122 million, representing an increase of 8.1 percent and 16.2 percent, respectively, compared with those during the Seventh Five-Year Plan period (1986-1990).

In addition, the family planning program has not developed in a balanced way. Between July 1, 1989 and June 30, 1990, only five provinces or municipalities had natural growth rates lower than 10 per thousand, while at the same time there were 10 provinces and autonomous regions whose natural growth rates were higher than 17 per thousand.

Especially, some big provinces with populations of over 50 million still see crude birth rates that are higher than 24 per thousand. This fact has greatly affected the whole situation of the country, according to Peng.

She also pointed out that the rural areas are the most difficult areas for the Chinese family planning program. She said that carrying out family planning in the countryside should go along with the development of the productive forces there and the improvement of the peasants' cultural level.

According to Peng, China will further strengthen its family planning administration, stabilize the current family planning policies and gradually bring the management of the program into line with relevant laws and regulations.

In the next decade China will especially further strengthen family planning work at grassroots units, carry out deep-going publicity and education and further help eligible couples select appropriate contraceptive methods.

What's more, service programs linked to family planning such as old age insurance will also be further promoted.

Family Commission Predicts 1.6 Billion by 2050

HK1812011090 Beijing CHINA DAILY in English
18 Dec 90 p 3

[Text] If the State Family Planning Commission has its way, China's population will not exceed 1.6 billion before the middle of next century.

According to the minister in charge of the commission, Peng Peiyun, this will be achieved by reducing the number of children in each family from the current average of 2.35 to two.

Peng told a press conference in Beijing yesterday that present family planning policies, under which each urban couple was encouraged to have only one child and rural couples no more than two, would be maintained.

She said extensive education and publicity campaigns would ensure the message got through to people at the grassroots level.

The flexibility that underscores family planning among the minority nationalities would remain unchanged.

She said family planning services, such as contraception, would be improved, and local governments would be encouraged to develop welfare programmes such as old age pensions.

Since the 1970s, she said, 26 provinces, municipalities and autonomous regions had promulgated family planning regulations.

"China's family planning programme has been highly effective, and more than 200 million births have been averted in the past 20 years," said the minister.

Data from the recent census showed that the national average crude birth rate was reduced from 24.16 per thousand in the 1970s to 19.73 in the 1980s. The average annual natural growth rate fell from 17.1 to 13.21 per thousand and the average expected number of children per woman from 4.01 to 2.35.

Peng said China was entering a period of high fertility and that by 1995, 322 million women would have reached the age of fertility and 122 million women would have entered the prime age of fertility, which is between the ages of 23 and 49 years. This was a respective increase of 8.1 percent and 16.2 percent over the 1985-90 period.

Peng said China's family planning programme had developed unevenly—between July 1, 1989 and June 30

this year, only eight provinces and municipalities, including Shanghai, Beijing and Zhejiang, had growth rates lower than 1 percent.

But 10 provinces and autonomous regions still had growth rates of 1.7 percent. And in some of the larger provinces where the population was higher than 50 million, such as Anhui, Henan and Hubei, the growth rate was higher than 2.4 percent.

QIUSHI No 24 Table of Contents Carried

*HK1812052190 Beijing RENMIN RIBAO in Chinese
15 Dec 90 p 6*

[Table of Contents for QIUSHI No 24, 1990]

[Text] Article by Bo Yibo: "Improving Product Quality Is a Major Issue in Our Economic Life—Greeting '991: A Year of Quality, Variety, and Benefit"

Article by Qian Qichen: "The Changing International Situation and China's Diplomacy"

Article by Qian Zongfan: "Brief Discussion on the Chinese Nation's National Spirit and Cultural Tradition—Also Commenting on Erroneous Viewpoints of 'River Elegy'"

Article by Fan Rongzhi: "Conduct Active Inner-Party Ideological Struggle"

Article by Lu Dong: "Pushing Existing Enterprises' Technological Progress Ahead Is a Major Strategy"

Article by Zhu Wenxing, Xie Fengqiao: "The Key to Improving Economic Results Lies in Making Great Efforts To Develop Products—Survey of Jinan Machine Tool Plant No 1"

Article by Pan Zhenyu, Tang Jinyue, Yang Chengzhi: "A Survey of Socialist Education in Huaxi Village"

Article by Zheng Bonong: "Several Questions Concerning Reportage Writing"

Article by Li Maoguan: "Debate Among Jurists on Relationship Between Rights and Duties"

Article by Gao Di: "A Japanese Friend's Letter and a Taiwanese Writer's Feelings"

Science & Technology

New Yun-8 Plane Makes Maiden Flight

*OW1712203190 Beijing XINHUA in English
1553 GMT 17 Dec 90*

[Text] Xian, December 17 (XINHUA)—A new model of China's Yun-8 plane—the Yun-8C—made a successful maiden flight in Shaanxi Province today.

The new plane, made by the Shaanxi Aircraft Manufacturing Company in this provincial capital, is an improvement on the old Yun-8 cargo-transport plane.

The prototype was made in 1974.

The new plane has an airtight cabin and the cargo compartment is longer than the old one.

The Yun-8C can carry 20 tons of sundry goods or four standard containers with 16 tons of cargo. It can also carry two "Jiefang" brand automobiles or 19-meter-long goods and be used for rescue operations and parachute drops.

The new plane is expected to be put into use in 1992. More models will be developed based on this one with more functions for military use and for passenger-cargo transport, meteorological observation, resources exploration and putting down forest fires.

Maritime Satellite Station Begins Operations

*OW1412134590 Beijing Domestic Service
in Mandarin 0300 GMT 13 Dec 90*

[Text] The construction of China's first satellite monitoring station, which serves the International Maritime Satellite Organization [IMSO], has been completed in Beijing. The information gathered during its first tracking and measuring operation was accurate and reliable.

Beijing won the construction project during a bidding for IMSO projects in 1988. After IMSO launched its first second-generation maritime telecommunications satellite on 31 October last year, the Beijing monitoring station promptly, accurately, and steadily tracked down the target, and its spectacular performance won very favorable comments from the IMSO.

The completion of the Beijing monitoring station and its operation marked the debut of Chinese aerospace technology on the world market. According to the first contract, China will continue to provide IMSO with satellite monitoring and measuring services during the next five years.

Schools of Higher Learning Mainstay of Research

*OW1712200090 Beijing XINHUA in English
1558 GMT 17 Dec 90*

[Text] Beijing, December 17 (XINHUA)—Although their funds for scientific research are merely 4.5 percent of the country's total, schools of higher learning in China have become the mainstay of the country's scientific and technological progress.

Sources at a national meeting on the scientific and technological work of colleges and universities, which opened here today, said that up to now some 1,700 research institutes have been established in China's institutions of higher learning.

A total of 200,000 full- and part-time teachers and researchers in China's universities and colleges are currently engaged in scientific research, and these people are well qualified to meet the different needs of scientific research, the sources said.

In the 1980s four universities received loans from the World Bank to train high-level specialized personnel for research work, and 139 institutions have imported advanced computers and other types of analytical and monitoring equipment to help with teaching and research.

The sources said that some 500 key research offices have been established in schools of higher learning across the country. In addition, 38 national key laboratories have been built on campuses.

About one third of the three national science prizes, the national awards for the advancement of science, the national awards for invention and the nation's natural science prizes have been awarded to universities and colleges in the past decade. Meanwhile, China's universities

have opened over 600 key enterprises centered on science and technology, with a total turnover surpassing 600 million yuan.

From 1985 to 1989 university teachers and researchers published 23,000 books as well as 480,000 research papers. Some 38,000 such papers were published in foreign academic journals, the sources noted.

China's schools of higher learning also trained a number of advanced personnel for scientific and technological research. Of the present 1075 schools of higher learning in the country, 400 are qualified to train graduate students, and nearly 200 to train doctoral students.

During the 1980s, the sources disclosed, a total of 150,000 graduate students and over 5,000 doctoral students graduated from China's universities and colleges.

The sources warned, however, that there are still some problems with regard to scientific research in China's schools of higher learning. For example, they said, there are not enough young people in the research field, and sometimes research is completed too late for some achievements in scientific research to be applied in actual production.

East Region**Anhui Economic Inspection Departments Examined**

*OW 1612150990 Hefei ANHUI RIBAO in Chinese
5 Dec 90 p 1*

[Text] From 1988 to last September, according to the provincial economic inspection work meeting which ended on 30 November, the economic inspection departments of the Provincial Administration for Industry and Commerce, in implementing the party's policy of improving the economic environment and correcting the economic order, investigated and handled a total of 30,572 cases involving the breaking of economic law and regulations, including 3,190 serious ones. Of all the cases, 93 percent were concluded. Some 26.15 million yuan in fines were levied and collected, some 12.81 million yuan were retrieved on behalf of victims who suffered economic losses, and 116 cases were turned over to political and legal organizations.

Examination of the cases investigated and handled reveals the most outstanding law-breaking activity was reselling important means of production, which constituted 40.7 percent of the total number of serious cases. Some material departments and specialized product departments abused their power to control and to distribute materials in a planned way by illegally reselling them. Law breaking activities such as reselling fake, forged and poor-quality commodities is quite rampant. Since 1988, Anhui has investigated and handled 5,540 cases of fake, forged and poor-quality commodities worth a total of 99.19 million yuan.

Over the past two or more years, Anhui has firmly grasped the building of economic inspection organizations. A province-wide specialized supervision and inspection network has been formed. Currently, there are 660 full-time economic inspectors. They have always worked hard and have not been upset by criticism. They are honest and law abiding and handle cases according to law while getting rid of all interferences and obstructions. The provincial party committees and governments at all levels have commended 215 of these inspectors time and time again.

The provincial economic inspection work meeting stressed: Economic law and regulation breaking cases in the economic sphere existed in the past, still exist now, and will continue to exist in future. The administrative organizations for industry and commerce at all levels across the province must fully understand the prolonged, complicated and Herculean nature of economic inspection work, deepen their sense of responsibility and sense of honor for economic inspection work, sternly deal blows at various economic law and regulation breaking activities, and make contributions to social stability and the healthy development of the national economy during the Eighth Five-Year Plan.

Jiangsu People's Congress Committee Holds Plenum

*OW 1712143390 Nanjing Jiangsu Provincial Service
in Mandarin 1015 GMT 17 Dec 90*

[Text] The 18th meeting of the Seventh Jiangsu Provincial People's Congress Standing Committee held its second plenary session this afternoon. Vice Chairman Li Zhizhong chaired the session.

The session approved a provincial people's congress Standing Committee decision to readjust working organs and heard a provincial people's government report on progress in the anti-pornography drive made by Deputy Secretary (Xu Dian). He said: The drive to eradicate pornography has produced fruitful results in various localities in Jiangsu over the past year. Progress has been uneven, however. The antipornography drive still faces a formidable task. Steadfast efforts must be made to deepen the drive.

(Wang Rendao), vice chairman of the Wuxi City People's Congress Standing Committee, explained the Wuxi City regulations governing rural and urban trade fairs.

Chairman Han Peixin, Governor Chen Huanyou, President Li Peiyou, and Chief Procurator Qin Jie explained personnel appointments and removals in the provincial people's congress standing government, the provincial government, the provincial people's court, and the provincial procuratorate.

Over the past few days, Standing Committee members earnestly examined a number of local statutes and laws at the meeting. Commenting on the Jiangsu provincial draft law governing the technology market, some members pointed out that due to the lack of standardized supervision over the technology market, problems such as the (breach) of technical contracts, profiteering, piracy of other people's technical projects work, encroachment on lawful technical interests of scientific and technical personnel, and the fraudulent practice of supplying defective technical commodities have cropped up. Therefore, it is necessary to step up supervision and adopt legislation on the technology market to ensure the lawful rights and interests of those involved in technology trade.

On the Jiangsu provincial draft law on dismantling urban houses, some members said: Along with the deepening of reforms, new problems and contradictions have cropped up in urban construction. Therefore, it is essential to revise the existing law on the basis of summarizing experiences.

Some members also made suggestions for further improving these two draft laws.

Aquatic Industry Expands in 7th 5-Year Plan

SK1812032190 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 16 Dec 90

[Summary] During the Seventh Five-Year Plan period, Shandong Province has made a breakthrough in developing the aquatic products industry. The province's annual output of aquatic products increased by more than 10 percent on average. In 1989, the annual output of aquatic products reached 1.54 million tons. This ranked the province in second place in China. The annual fishery output value reached 4.2 billion yuan. The aquatic products industry has become an important economic pillar of the province, particularly of the coastal areas.

During the Seventh Five-Year Plan period, our province has formulated a series of preferential policies on developing aquatic products, and relaxed the restrictions of the prices of aquatic products. Thus, various localities are enthusiastically engaged in developing and utilizing water surfaces.

At the same time, our province has also made achievements in developing export-oriented fishing. Through conducting cooperation in the sphere of fishery, the province brought in \$100 million foreign capital; and the aquatic products departments earned \$600 million in foreign exchange. The annual value of export in prawns surpassed \$100 million.

Shandong Worker Ranks Grow in 7th 5-Year Plan

SK1812033290 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 16 Dec 90

[Summary] During the Seventh Five-Year Plan period, Shandong Province has ceaselessly expanded the ranks of staff members and workers and further increased their wages.

Over the past five years, the province arranged jobs for 1.334 million job-awaiting youths. The province is expected to have 7.57 million staff members and workers by the end of 1990, an increase of 1.373 million people over the figure at the end of 1985.

The total wage bills of 1990 will reach 1.577 million yuan, 1.4 times over the figure of 1985 and an annual average increase of 19.4 percent. The per capita cash wage of the staff members and workers is expected to reach 2,100 yuan in 1990, an increase of 94.6 percent over 1985 and an annual average increase of 14.2 percent.

Central-South Region

Report on Guangdong Chief Procurators Meeting

HK1812073590 Guangzhou Guangdong Provincial
Service in Mandarin 1000 GMT 13 Dec 90

[Text] Provincial Deputy Chief Procurator (Zhang Peiyu) revealed this morning that there are 67 cadres at

and above county and departmental levels in our province who have fallen into the net of justice.

In his work report submitted to the provincial chief procurators meeting, (Zhang Peiyu) said: During the first 11 months of this year, the cases of 62 cadres at and above county and departmental levels, and five section chief level cadres were put on record for investigation. Of those persons involved in the above-mentioned big and important cases, some held important positions in party and government organs. During the same period, 904 important cases of corruption and bribery involving more than 10,000 yuan were put on file for investigation and prosecution, accounting for nearly 50 percent of the total number of corruption and bribery cases. There were 100 cases involving 100,000 to 500,000 yuan, and seven cases involving 500,000 to 1,000,000 yuan, and 15 cases involving 1,000,000 yuan. The situation was rarely seen in recent years.

The amounts of illicit money retrieved have also increased by a big margin. During the first 11 months this year, the amount of illicit money and stolen goods retrieved exceeded 80 million yuan, an increase of more than 70 percent over the same period last year.

It has been learned that the provincial chief procurators meeting emphasized exchanging experiences in the anti-corruption struggle, and examining and handling big and important cases. It also studied the issue of dealing heavy blows at severe criminal cases.

Zhao Fulin Attends Guangxi Plenary Session

HK1812054790 Nanning Guangxi Regional Service
in Mandarin 1130 GMT 16 Dec 1990

[Text] We are now broadcasting the communique of the Guangxi Zhuang Autonomous Region's Fifth CPC Committee Ninth Plenary Session, which was released on 15 December 1990.

Guangxi Zhuang Autonomous Region's Fifth CPC Committee Ninth Plenary Session was held in Nanning 14-15 December. Those who attended the session included 42 members and 10 alternate members of the regional CPC Committee. Nonvoting delegates included 32 regional advisory commission members, and 33 regional discipline inspection commission members.

Comrade Zhao Fulin, autonomous regional party secretary; and Comrades Cheng Kejie, Tao Aiying, Liu Mingzhu, and Ding Tingmo, deputy regional party secretaries, presided over the session.

Comrade Zhao Fulin spoke at the meeting's closing session.

The plenary session participants conscientiously discussed the regional CPC Committee draft report to be submitted to the sixth regional party congress. They believed that the report implements the party basic line and the spirit of the 13th CPC Central Committee's fourth, fifth, and sixth plenary sessions; and that it had

practically summed up the autonomous region's work since the fifth regional party congress, and defined the tasks for the building of socialist material and spiritual civilization in our region, and party building for the coming five years. It would play a very important role in further mobilizing communist party members, and people of various nationalities in the whole region to inspire their enthusiasm, work with one heart and one mind, rely on their own efforts, and work hard to achieve further stable political, economic, and social development of the whole region.

The plenary session decided to submit the report to the sixth regional party congress for discussion and approval.

The plenary session maintains that the time and conditions for convening the sixth regional party congress are ripe. Therefore, it is decided that the sixth regional party congress will be held 18 December 1990 in Nanning.

The plenary session discussed the sixth regional party congress' main agenda (draft), and decided that the agenda would be submitted to the sixth regional party congress for examination and revision.

Participating comrades conscientiously discussed the above-mentioned topics in an atmosphere of democracy, unity, and vividness. The plenary session calls on all Communist Party members and people of various nationalities in the region to strengthen their unity and work hard to turn the sixth regional party congress into a congress of unity, progress, democracy, and victory.

Hou Zongbin Visits School, Views Party Spirit

*HK1812073390 Zhengzhou Henan Provincial Service
in Mandarin 2300 GMT 14 Dec 90*

[Text] On 13 December, provincial party committee Secretary Hou Zongbin went to the party school under the provincial party committee. There he gave a lecture to a class of cadres at the prefectural and provincial department levels who were undergoing their first-phase rotation of training there, and a class of cadres who were undergoing their second-phase philosophy study.

His lecture was entitled: "Communist Party Members Must Adhere to the Principle of Party Spirit."

Comrade Hou Zongbin said: In order to further implement the spirit of the fifth provincial party congress, we must strengthen party building and party leadership. To strengthen party building, we must first of all bear in mind that all Communist Party members must adhere to the principle of party spirit. He elaborated on this question in the following three aspects:

1. The key to strengthening party building lies in adhering to a clear-cut principle of proletarian party spirit;

2. It is necessary to distinguish right from wrong on questions regarding the principle of party spirit;

3. Party organizations at all levels must regard adhering to the principle of party spirit and strengthening party-spirit training as a long-term task.

Hou Zongbin pointed out: An important task facing our party building work is to adhere to the principle of proletarian party spirit and strengthen party-spirit education. Now some hot-spot problems have caused great concern both within and without the party. For instance, in some areas the relations between the party and the masses are not so good. This is mainly because we have not made sufficient efforts to strengthen party building or because some of our party members have failed to adhere to a clear-cut principle of party spirit. Therefore, we must pay special attention to the following four questions:

1. We should not underestimate the harm done by the Cultural Revolution to the principle of party spirit;
2. We should not underestimate the negative influence of Comrade Zhao Ziyang, who had played down the importance of party leadership;
3. We should not underestimate the influence of bourgeois liberalization;
4. We should not underestimate the negative influence of the drastic changes in Eastern Europe.

Comrade Hou Zongbin stressed: Conscientiously studying Marxist party-building theories as well as studying, discussing, and clarifying questions of right or wrong with regard to the principle of party spirit in light of the actual conditions with a view to adhering to truth, correcting mistakes, clarifying ideology, and uniting comrades are matters of great significance in the new historical period. We must take work in this regard as an important step toward strengthening unity, forging ahead, and developing Henan and as one of our important tasks aimed at strengthening party building. In light of the realities in Henan Province, we must lay special stress on adherence to the principle of party spirit on the following 10 questions:

1. The question of adhering to the four cardinal principles and opposing bourgeois liberalization;
2. The question of adhering to reform and opening up and opposing conservatism and isolationism;
3. The question of adhering to economic construction as the center, doing work in a down-to-earth manner, carrying out pioneering work, and opposing the practice of passively resting upon existing achievements without doing anything;
4. The question of honestly performing official duties, serving people, and opposing the practice of seeking private gains by abusing power;
5. The question of subordinating personal interests to collective interests and opposing the practice of putting personal interests before everything else;

6. The question of observing party disciplines and opposing liberalism;
7. The question of carrying out normal criticism and self-criticism and opposing the practice of keeping on good terms with everyone at the expense of principle and dodging ideological questions;
8. The question of adhering to the principle of seeking truth from facts and proceeding from actual conditions and opposing subjectivism and formalism;
9. The question of maintaining close ties with the masses and opposing bureaucratism and divorce from the masses;
10. The question of adhering to the principle of using cadres irrespective of their place of origin and opposing the practice of appointing cadres from among close followers only and forming small cliques.

Comrade Hou Zongbin pointed out: The purpose of adhering to the principle of party spirit is to strengthen the unifying force and fighting capacity of the party and accomplish the task of strengthening unity, forging ahead, and developing Henan. Whether or nor we can adhere to the principle of party spirit on major issues of principle will be determined by whether or not we can strengthen party-spirit training among each and every party member. Therefore, we must regard the work as a long-term task, continue to carry out the work for a long time to come, and try to achieve tangible results in the work. The leading bodies of our party at all levels must take the lead in strengthening party spirit and adopt a clear-cut stand in adhering to the principle of party spirit. In the future, in carrying out their regular activities, party organizations at all levels must pay particular attention to strengthening party-spirit training and heightening party members' consciousness in adhering to the principle of party spirit. In carrying out party building, we must pay particular attention to strengthening party-spirit education and make redoubled efforts to heighten the broad masses of party members' consciousness in adhering to the principle of party spirit. In carrying out party-spirit education, we must also make great efforts to carry out in-depth and meticulous ideological work, carry out study, hold discussions, and carry out criticism and self-criticism so as to distinguish right from wrong, strengthen consciousness, and really create a new situation characterized by unity, as well as pioneering work across the province.

Southwest Region

Tibet Prepares for Liberation Anniversary

*OW1812044390 Lhasa Tibet Television Network
in Mandarin 1300 GMT 17 Dec 90*

[From the "Tibet News" program]

[Text] The propaganda department of the autonomous regional party committee recently held a meeting

attended by responsible comrades of the information, propaganda, and cultural departments under prefectoral, city, county, and district organs. It relayed the guidelines set by the national work conference on spiritual civilization activities, heard reports on preparatory work for activities to mark the 40th anniversary of Tibet's peaceful liberation, and made arrangement for next year's propaganda work in the whole region. Danzim, deputy secretary of the regional party committee, was present to hear the reports and address the meeting. Li Weilun and (Gesang Lang Jie), respectively head and deputy head of the propaganda department under the regional party committee, presided over the meeting and separately discussed views on propaganda work for next year and the arrangement for activities to mark the 40th anniversary.

Judging from the reports on the situation in various prefectures and the city, leaders of various localities are attaching much importance to the activities planned to celebrate the anniversary. To date, the six prefectures and the city all established commemorative activities leading groups, offices, and organizations. They have put forward arrangements and plans which embody local characteristics with the grass-roots units and the masses in mind, and they have set about launching various work.

While touching on propaganda work for the entire region next year, Li Weilun said: The propaganda work for 1991 must be guided by the guidelines laid down by the fourth regional party congress and by the series of important instructions given by General Secretary Jiang Zemin during his inspection tour. It is necessary to take firm hold of the internal and external propaganda work for the 40th anniversary of Tibet's peaceful liberation and treat it as the central link to give impetus to the entire propaganda work for next year. We must pay special attention to the following tasks next year:

First, mobilize various propaganda tactics, amass all the propaganda forces, and painstakingly do a good job in the propaganda work for the 40th anniversary of Tibet's peaceful liberation;

Second, do a good job in propaganda for the 70th anniversary of the founding of the Communist Party of China;

Third, give prominence to and do a good job in economic propaganda;

Fourth, improve and strengthen external propaganda work. We must conscientiously implement the guidelines set by the national and regional conferences on external propaganda work and constantly improve and strengthen the external propaganda work in our region;

Fifth, continue to pay special attention to the study of the study programs on Marxist philosophy and several socialist issues;

Sixth, further enhance the flourishing of socialist literature and art. We must earnestly implement the policy of paying attention to antipornography work on the one hand and promoting the growth of socialist literature and art on the other. We must strengthen the construction of spiritual civilization with ideology and moral building as the principal contents; and

Seventh, intensify the construction of the propaganda department at various levels and improve the propaganda work in the whole region.

Finally, referring to the propaganda work for the 40th anniversary of Tibet's peaceful liberation, Deputy Secretary Danzim emphatically pointed out: The information, propaganda, and cultural departments in various prefectures and the city must first of all attach great importance to celebrating the 40th anniversary of Tibet's peaceful liberation in a grand and enthusiastic manner. Second, there will be no overall arrangement by the autonomous region for the commemorative activities in various prefectures and the city. The various localities must launch varied and colorful celebration activities with local characteristics in light of their actual situation. Third, the timeframe of the celebration of the 40th anniversary will include the 40th anniversary of the liberation of Qamdo Prefecture, which was marked in October this year, and end with the anniversary of the march into Ngari Prefecture, to be marked next August. Commemorative activities should not be too centralized and activities with educational significance must be launched according to the actual situation during the New Year's Day and Spring Festival next year, as well as on the 1st and 4th of May by the Tibetan calendar. Fourth, the activities must fully reflect the guiding ideology with the grass-roots units and the masses in mind. We must avoid formalism and superficial treatment. We must do a solid, down-to-earth job and pay attention to the results of propaganda. Fifth, we must observe the principle of being simple and thrifty, establish the ideology of spending less money and doing more work, and oppose all forms of extravagance and waste.

Pu Chaozhu at Spiritual Civilization Meeting

*HK1712125290 Kunming Yunnan Provincial Service
in Mandarin 1000 GMT 16 Dec 90*

[Excerpts] The Yunnan Provincial Work Conference on Spiritual Civilization Building and Social Order Comprehensive Harnessing was convened in Kunming yesterday.

The conference was mainly aimed at further carrying out the strategic tasks put forward by the fifth provincial party congress and the important plans made by the third Standing Committee meeting of the fifth provincial party committee, relaying and studying the spirit of the National Work Conference on Spiritual Civilization Building and the spirit of the National Work Conference on Eliminating Pornography, summarizing and exchanging our province's experiences in carrying out

spiritual civilization and strengthening social order, and making unified arrangements for work in the future.

Vice Governor Zhao Tingguang presided over yesterday morning's meeting.

Yunnan Provincial CPC Committee Deputy Secretary Yin Jun delivered a speech entitled "Mobilize Whole Party and Whole Society To Work Hard and Jointly Open Up New Vistas for Our Province's Spiritual Civilization Building and Social Order Comprehensive Harnessing."

Yin Jun said: Over the past few years, party and government organizations, mass organizations, and propaganda, education, cultural, political, and legal affairs departments at all levels across the province have conscientiously implemented the Resolution of Party Central Committee on Guiding Principle of Socialist Spiritual Civilization Building, as well as a series of decisions made by the provincial party committee, actively organized the masses to carry out spiritual civilization building, accomplished much pioneering and effective work, and achieved remarkable successes. Since the fourth plenary session of the 13th party committee, the party Central Committee with Comrade Jiang Zemin as the nucleus, has adopted a series of important measures aimed at putting an end to the phenomenon of unequal stress on two aspects. As a result, a fundamental turn for the better has been witnessed in ideological and political work, spiritual civilization building, party style building, and clean-government building. Our province has also made much headway regarding the elimination of pornography and six vices and deepening the struggle of and education on opposing bourgeois liberalization. By and large, our province has scored one success after another in spiritual civilization building and comprehensive harnessing of social order.

Yin Jun said: In the future, we must look at spiritual civilization building and harnessing of social order as a grand social system, to mobilize, organize, and rely on the masses in carrying out work in this regard. At present, we must concentrate our efforts on the following five aspects of work:

1. To greatly develop collective economy in both urban and rural areas and increase employment opportunities;
2. To promote ideological and ethical building and foster a new style;
3. To enrich cultural life of the masses and fully control the cultural front;
4. To bring into full play political superiority and enable all parties concerned to contribute their efforts;
5. To step up comprehensive harnessing and severely crack down on serious crimes in accordance with the law.

Yin Jun finally said: As long as party committees and governments at all levels attach greater importance to the work, all the departments concerned strengthen

coordination and cooperation in this regard, and the whole party and society take immediate action to push ahead with the work in real earnest and join hands in making contributions and relying on and mobilizing the people of all nationalities, our province will certainly be able to open up new vistas for spiritual civilization building and comprehensive harnessing of social order.

Provincial party and government leaders, including Pu Chaozhu, He Zhiqiang, Liu Ronghui, Li Xingwang, Liu Shusheng, Zhao Shumin, Qiu Chuangjiao, Liang Jinquan, Bao Yongkang, (Wang Guangxian), (Yang Yitang), Li Shuji, and Yang Chunzhou, and former provincial party committee leading comrades, including Liu Minghui, Sun Yuting, and Liang Jia, attended the meeting. [passage omitted]

The leading comrades of political and legal affairs commissions of Sichuan, Guizhou, and Guangxi also attended the meeting upon invitation.

Yesterday afternoon, provincial party committee Standing Committee member and Propaganda Department Director Liang Jinquan and Vice Provincial Governor Zhao Tingguang relayed the spirit of the National Work Conference on Spiritual Civilization Building and the spirit of the National Work Conference on Eliminating Pornography at the meeting.

North Region

Metallurgical Industry Develops in 7th 5-Year Plan

SK1812004490 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 16 Dec 90

[Summary] During the Seventh Five-Year Plan period, our region has rapidly developed its metallurgical industry and has comprehensively fulfilled the targets set for the period. It is expected that during 1990, the metallurgical industry will create an output value of 2 billion yuan, and hand over 650 million yuan of profits and taxes to the state, an increase of 40 percent and 50 percent respectively over 1985. Of this, Baotou Iron and Steel Company produced 2.5 million tons of steel, 2.5 million tons of pig iron during 1990. Its total output value may reach 1.3 billion yuan, and the profits and taxes may reach 430 million yuan. Thanks to tapping potential and transformation, our region's local iron and steel industries have gradually changed backwardness. At present, the annual production capacity of steel has reached 160,000 tons, that of pig iron, 250,000 tons, and that of steel products, 260,000 tons. Our region has also rapidly developed nonferrous metallic industry during the Seventh Five-Year Plan period. In 1990, the nonferrous metallic industry will create an output value of 320 million yuan, and hand over 160 million yuan in profits and taxes to the state, an increase of 50 percent and 70 percent respectively over the end of the Sixth Five-Year Plan period. Our region has also rapidly developed its gold and rare-earth industries during the Seventh Five-year Plan period. So far, it has five counties with an

annual production capacity of 10,000 liang of gold and eight counties with annual production capacity of 1,000 liang of gold. The total gold output ranked fifth in the whole country. The region's total rare-earth reserves account for 80 percent of the whole country's reserves.

Highway Building Expands in 7th 5-Year Plan

SK1812014390 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 15 Dec 90

[Summary] During the Seventh Five-Year Plan period, the region's highway building has developed most rapidly, the investment in this regard has been the most, and the efficiency has been the best, as compared with other periods since the founding of the PRC. By the end of 1990, the region's total mileage of highways is expected to surpass 43,400 km. Thus far, a highway network radiating in all directions has already been established initially, which has played an increasingly important role in promoting the region's economic construction, political stability, and cultural prosperity. During these five years, the region has increased the highway traffic mileage by more than 5,200 km, increased the grade highways by 8,700 km, newly built 4,000 km of town and township highways, and newly built 571 bridges with a total length of 16,500 meters. At the same time, the investment in key highway construction projects has amounted to 520 million yuan, 3.2 times that during the Sixth Five-Year Plan period.

Northeast Region

Sun Weiben on Developing Township Enterprises

SK1812070390 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 16 Dec 90

[Text] Sun Weiben, secretary of the provincial party committee, said that the development of town and township enterprises should be put as an important item on the 1991 rural work agenda.

On the afternoon of 15 December, Sun Weiben, secretary of the provincial party committee; and Shao Qihui, governor of the province, visited some enterprises, including the Jiamusi (Jingbian) printing and dyeing mill and the Jiamusi combine harvester plant.

After learning that the Jiamusi (Jingbian) printing and dyeing mill has achieved better economic results, Sun Weiben gladly said: This mill set its sight on markets, made ceaseless efforts to develop new products, and maintained a good trend of brisk purchasing and marketing under the strained circumstances of a market slump this year. We should sum up and popularize its experiences.

Sun Weiben suggested: This mill's three major series of goods and nine major varieties of products are high-quality ones. Through reasonably disseminating production factors, the mill will possibly guide some enterprises to merge with each other or to sell their stocks, or to send

REGIONAL AFFAIRS

FBIS-CHI-90-243
18 December 1990

some of their semi-finished products to the rural areas. By doing so the enterprises can make greater economic and social results with their major products.

Sun Weiben said: Fujian and Shandong Provinces have made rapid progress in town and township enterprises. The personnel working in town and township enterprises of the two provinces account for 40 percent of the total rural labor force. Our province lags far behind in this regard. Shandong Province's population density is 700 people per square kilometer while ours is 70 people. However, many localities in Shandong Province are short of labor but many people in our province fail to find jobs. We should vigorously develop town and township enterprises and extensively open channels of employment to solve this contradiction. Our province should study the issue of making town and township enterprises an important issue in 1991.

Inspects State Farm Enterprises

SK1812035990 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 15 Dec 90

[Text] During an inspection tour to our province's enterprises under state farms today, Sun Weiben, secretary of the provincial party committee, reaffirmed that in order to push our province's economy forward, we must follow the path of integrating trade with industry and agriculture and coordinating the production, supply, and marketing activities.

This morning, leading comrades, including Sun Weiben and Shao Qihui who were attending the provincial state farms work conference, were accompanied by leaders of the state farms administration and of Jiamusi City to zealously visit the Sanjiang food company, which is our country's soybean comprehensive processing enterprise with the largest scale so far and with the most modernized equipment and technology, and the greatest number of product varieties, and the Jiamusi meat packing plant. They listened carefully to reports given by these two enterprises, and offered some pertinent suggestions for solving their problems in production and management.

At the Sanjiang food company, when the enterprise reflected that the prices for buying soybeans were high, Comrade Sun Weiben noted: It is absolutely possible for the state farms to fathom Shandong's experience in combining trade with industry and agriculture and to solve their own problems in soybean [words indistinct]. When hearing that the Jiamusi meat packing plant cooperated with peasants and established vegetable bases to bring along peasants, Comrade Sun Weiben warmly affirmed their method. He pointed out in addition: At present, the meat packing plant has spent more than 300 yuan of transportation fees for shipping in each ton of pork from Sichuan. This does not pay. If we can make investments and build hog raising bases locally, the problems of enterprises can be solved and peasants can receive real benefits. This is the fundamental way for developing our province's economy.

Li Qinglin, secretary of the Jiamusi City party committee, who was present there, expressed that next year efforts will be made to jointly develop hog raising undertakings with the meat packing plant.

Heilongjiang Provincial Personnel Changes Noted

SK1812054890 Harbin HEILONGJIANG RIBAO in Chinese 4 Nov 90 p 1

[Text] The following is a namelist of personnel appointments and removals of the Standing Committee of the Heilongjiang Provincial People's Congress adopted at the 17th Standing Committee meeting of the seventh Heilongjiang Provincial People's Congress on 3 November 1990.

Zhang Furu (1728 4395 1172) was appointed chairman of the provincial Planning Commission; Sun Kuiwen was dismissed from his post as chairman of the provincial Planning commission; Meng Xianli (1322 2009 4409) was appointed vice chairman of the Education, Science, Culture and Public Health Committee of the seventh provincial People's Congress; Kang Yuhu (1660 3768 5706) was appointed chairman of the Financial and Economic Commission of the provincial People's Congress Standing Committee; Jiang Peng (1203 4296) was appointed director of the Legislative Affairs Office of the provincial People's Congress Standing Committee; Meng Xianli was dismissed from his post as director of the Investigation and Research Office of the provincial People's Congress Standing Committee.

Jilin's Wang Yunkun Views 1991 Planning Work

SK1712103990 Changchun Jilin Provincial Service in Mandarin 1030 GMT 16 Dec 90

[Text] The provincial planning conference was held in Changchun today. The main items on the agenda of the conference were to relay and implement the guidelines of the national planning conference and the sixth plenary session of the fifth provincial party committee, and to discuss the 1991 provincial economic and social development plan in line with the work arrangements for the province made by the state.

Comrades Wang Zhongyu, Xu Yuancun, Liu Xilin, Wang Yunkun, Feng Yingkui, and Jin Minghan were present at the conference.

Wang Yunkun made a speech entitled "Implement the Principle of Readjustment, Reform, Improvement, And Development, and Make a Good Start for Carrying Out the Eighth Five-Year Plan."

Wang Yunkun said in his speech: Under the correct leadership of the provincial party committee, the province has conscientiously implemented the guidelines of the fifth and sixth plenary sessions of the party Central Committee and the principle on further resolutely improving the economic environment, straightening the economic order, and deepening reforms; paid attention to solving new contradictions and new problems in the

economic work; and made noticeable achievements in improving the economic environment and rectifying the economic order. The economic situation of the province is generally good. The specific indicators are as follows: The contradictions between supply and demand have been alleviated, the prices of goods have effectively been controlled, the structural readjustment has started, the economic strength has been improved, production has increased steadily, the national economy is developing toward a good orientation, new development has been made in the economic results and various social undertakings, the construction of the spiritual civilization has been further enhanced, the people's livelihood has been further improved, new changes have taken place in the ideologies to guide the economic work, and the thinking of taking the economic construction as a key link has become stronger and [words indistinct].

Wang Yunkun pointed out in his speech: Through analyzing various factors, we know that the economic development situation of next year will be better than that of this year. There are still many prominent conflicts and problems. The ideas guiding the 1991 provincial plan are to take economic construction as a key link; to continuously promote the improvement of the economic environment, the rectification of the economic order, and the deepening of reforms; to concentrate efforts on readjusting product mix, developing new products, upgrading product quality, and increasing economic results; to positively pioneer and invigorate markets; to expand the contents of reforms; to speed up the pace of opening the province to the outside world; and to promote a normal circulation of the economy and for the national economy to embark on the course of sustained, stable, and harmonious development. We should firmly attend to the six specific work tasks as follows:

First, consolidate and strengthen agriculture's role as the foundation of the national economy to comprehensively and steadily promote agricultural production.

Second, extensively launch the campaign of determining the year 1991 as a year of quality, variety, and efficiency; and comprehensively strengthen enterprise management.

Third, realistically grasp structural readjustment and strive to score solid achievements in this regard.

Fourth, positively invigorate and pioneer markets to promote a normal circulation of the economy.

Fifth, take the enlivening of enterprises as a key link and perfect and deepen reforms.

Sixth, seek unity of thinking, strengthen leadership, and ceaselessly upgrade the quality of organizing the economic work.

Under the leadership of the provincial party committee, we should conscientiously implement the party's basic line, clearly understand the situation, be inspired with enthusiasm, make concerted efforts to do pioneering

work, and work with spirit, at a lively rhythm, and with a stronger sense of responsibility to comprehensively fulfill the 1991 national economic and social development plan.

He Zhukang Addresses Theory Study Meeting

SK1712120590 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 16 Dec 90

[Excerpts] The two-day provincial meeting to report theoretical study experiences by leading cadres at or above the county level ended in Changchun on 16 December.

He Zhukang, secretary of the provincial party committee, made a speech at the meeting.

He summed up the results achieved in eight spheres by the key theoretical study group of the provincial party committee over the past year through conscientiously studying Marxist philosophy and the theory of scientific socialism.

First, understand the relationship between the line of understanding and the mass line. Second, upgrade the ability in seeking truth from facts and strengthen investigation and study. Third, unswervingly and persistently take economic construction as a key link and overcome the idea of being impatient for successes in the economic work. Fourth, correctly analyze the situation and actively have the situation well in hand. Fifth, the replacement of capitalism by socialism is a long-term, tortuous, and complicated historical process, as well as a historical [words indistinct] that cannot be reversed. Sixth, correctly understand the relatively stable development and the material prosperity of capitalism at the present age. Seventh, strengthen the transformation of the world outlook and the outlook on life. Eighth, strengthen party building and upgrade the concept of leadership of the party.

Comrade He Zhukang expounded on the study experiences and the understanding about the eight results.

He said: Under the current complicated situation, we should correctly understand the objective law governing the development of social history and (? the trend of social historical development,) understand the special characteristics and the basic principles of socialism, make a clear distinction between scientific socialism and democratic socialism, have a firm belief in socialism, and be inspired with enthusiasm and make efforts to build socialism with Chinese characteristics. To achieve this, we should fundamentally attend to the study of Marxism among leading cadres at various levels, particularly leading cadres at the county level.

Comrade He Zhukang called on leading cadres at various levels across the province to engage in the study emulation drive and urged them to study more and better and to upgrade the study of socialist theory to a new level.

Twenty comrades introduced their study experiences at the meeting. [passage omitted]

Gu Changchun, deputy secretary of the provincial party committee, made a summation speech at the meeting. He made arrangements for next year's study. Next year, leading cadres at or above the county level should continue to study Marxist philosophy, deeply study the theory of scientific socialism, and continue to study the viewpoints on class struggle and methods of class analysis, viewpoints on social awareness and spiritual civilization, and the idea that the masses are the main body to carry out implementation and interpretation as well as creators of social history. The 70th anniversary of the establishment of the party is next year. We should also deeply study the theory of party building and strengthen the concept of party leadership.

Present at the meeting were all members of the key theoretical study group of the provincial party committee and leaders of the departments, commissions, and bureaus under the provincial party committee and the provincial government.

Jilin Advisory Commission Holds Plenary Session

SK1812043490 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 15 Dec 90

[Text] The second advisory commission of the Jilin Provincial CPC Committee held its sixth plenary session on the afternoon of 14 December. Attending the plenary session were Zhang Fengqi, chairman of the provincial advisory commission; Chen Hong, Feng Yingkui, and Zhang Liming, Standing Committee members of the provincial Advisory Commission; and 16 members of the commission. Comrade Zhang Fengqi made a work report at the session.

The major items on the agenda of the session are to review the work of the provincial advisory commission over the past year, and to study and arrange for the work tasks of the provincial advisory commission in the next year in line with the guidelines of the sixth plenary session of the fifth provincial party committee.

Comrade Zhang Fengqi said: We have just attended as non-voting delegates the sixth plenary session of the fifth provincial party committee, listened to and discussed Comrade He Zhukang's report and Comrade Gu Changchun's speech, discussed the Jilin Provincial CPC Committee's decision on further strengthening the party's ideological construction, and unanimously agreed to the report, the speech, and the decision adopted by the sixth plenary session of the fifth provincial party committee. The session's participants have maintained that the sixth plenary session of the fifth provincial party committee has made a correct analysis of the current international situation, reviewed the work over the past year, set forth major tasks for the future, and emphatically studied how to strengthen the party's ideological construction. The guidelines of the sixth plenary session of the fifth provincial party committee has embodied the guidelines of

the sixth plenary session of the 13th CPC Central Committee, are completely conformable to the practical circumstances of the province, and thus must be implemented with great earnest.

In reviewing the work of the provincial advisory commission, Comrade Zhang Fengqi said: Under the leadership of the provincial party committee, the provincial advisory commission has reported the situation and offered suggestions to the provincial party committee through various forms in line with the stipulations of the party Constitution, thus giving play to its role as political adviser and assistant of the provincial party committee.

Comrade Zhang Fengqi said: The general tentative plans for the work of the provincial advisory commission in the next year are to develop the work in line with the major tasks set forth by the sixth plenary session of the fifth provincial party committee, give positive support to the work of the provincial party committee, make great efforts to fulfill the tasks entrusted and assigned by the provincial party committee, serve as a good political adviser and assistant of the provincial party committee, continue to strengthen study, and show concern for the work of veteran cadres and the healthy growth of youth and children.

Through discussion, participants in the second plenary session of the sixth provincial advisory commission unanimously supported the speech of Comrade Zhang Fengqi. They pledged to conscientiously implement the guidelines of the plenary sessions of the provincial party committee and the provincial advisory commission, and try their best to make contributions to the province's reform and economic construction.

Liaoning Development in 7th 5-Year Plan Viewed

SK1512145790 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 14 Dec 90

[Summary] During the Seventh Five-Year Plan period, Liaoning Province has made noticeable achievements in conducting technological transformation among enterprises and developing key projects by readjusting the investment structure. During this period, the province invested 114 billion yuan in fixed assets, 70 billion yuan more than that invested during the Sixth Five-Year Plan period. During this period, houses of various types, covering 140 million square meters of floor space, were built; 7.02 million tons of iron ore mining capacity, 6.05 million tons of coal mining capacity, and 9 million tons of petroleum and natural gas extracting capacity were added; 17 berths were built; and 940-km-long roads, including the Shenyang-Dalian expressway, were built. All this has helped change Liaoning's traditional industrial structure and promote the province's industrial development and foreign export trade.

Northwest Region

Gansu Secretary Gu Jinchi Visits Baiyin City

HK1712121890 Lanzhou Gansu Provincial Service
in Mandarin 2300 GMT 16 Dec 90

[Excerpt] When inspecting Baiyin, provincial party Secretary Gu Jinchi stressed: It is necessary to give full play to the enthusiasm of localities and large and medium-sized enterprises to bring our province's economy into a new stage during the period of the Eighth Five-Year Plan.

During the past two days, Gu Jinchi made an on-the-spot investigation of Baiyin's economic work, listened attentively to the work reports made by the Baiyin City authorities, visited (Yinguang) Chemical Industry Company and (Changchun) Capacitor Factory in the suburbs of Baiyin, and held discussions with the leading cadres of 15 enterprises.

When the leaders of Baiyin City had reported on the rich grain harvests, industrial growth, and financial [words indistinct] for five years running under the system of city-administering-county, Gu Jinchi gave a full affirmation of these achievements. He required them to assimilate the good experiences they have accumulated over the years into Baiyin City's Eighth Five-Year Plan, give play to their advantages, and make efforts toward the goal of four modernizations. [passage omitted]

Xinjiang To Conduct Education in Rural Areas

OW1612230290 Urumqi Xinjiang Television Network
in Mandarin 1400 GMT 7 Dec 90

[By reporter (Mo Fuchun); from the "Xinjiang News" program]

[Text] The Xinjiang autonomous party committee held a regional telephone conference on 6 December to draw up a plan for organizing rural work groups in the forthcoming winter and spring. [Video opens with medium shots showing Li Shoushan, Janabil, and two unidentified persons sitting on the rostrum in a small hall, then cuts to show dozens of cadres sitting in rows facing the rostrum, with a few closeup shots of Janabil speaking] Work groups composed of Xinjiang's 18,000 cadres will go deep into rural and pastoral areas to conduct socialist education.

Li Shoushan, deputy secretary of the regional party committee, presided over the telephone conference. Janabil, deputy secretary of the regional party committee, made a mobilization report. He said: According to the guidelines of the main points on the forthcoming winter-spring work as carried in the minutes of the 57th Standing Committee meeting of the regional party committee, we have decided to continue transferring 18,000

cadres from the region's party and government organizations and institutions and organize them into rural work groups to conduct socialist education in rural and pastoral areas, strengthen grass-roots party organizations, carry out in-depth rural reform, grasp stability, promote production, and strive for a bumper harvest in both agriculture and animal husbandry in the first year of the Eighth Five-Year Plan.

Touching on the principal task of the rural work groups, Janabil pointed out: First, it is necessary to conduct socialist education in a widespread and deepgoing way. It is necessary to conduct education in the party's basic line among the vast numbers of peasants and herdsmen. It is necessary to conduct education in patriotism, socialism, and collectivism. It is necessary to conduct education in supporting the reunification of the motherland and opposing national splittism. The focal point is to strengthen education among party members and cadres.

Second, strengthen the rural grass-roots party organizations. On the basis of ideological education, we must grasp well the building of grass-roots level party branches and village committees in rural and pastoral areas. The main points are to straighten out and strengthen their leading bodies, improve systems, change the slack and lax state in some grass-roots level party organizations, and strengthen the role of the party branch as a fighting force.

Third, guide and push forward in-depth reform in rural and pastoral areas. The main points are to stabilize the responsibility system in production with the household contracted responsibility system playing the dominant role, promote unity in five aspects, improve the dual-level managerial system, strengthen the socialized service system, and set up community cooperative economic organizations and rural cooperative economic associations to promote the cooperative economy step by step.

Fourth, grasp agricultural production and livestock breeding well. The work groups should help and guide people in all places to continue firmly grasping farmland water conservancy capital construction, carry out all production plans and measures, make preparations for protecting livestock against natural disasters and for plowing and sowing, and fulfill the winter-spring agricultural and animal husbandry production tasks. [video cuts to show cadres listening to Janabil's report, with some writing notes]

The regional party committee has reportedly established a leading group for rural work, which will work in coordination under the regional party committee's leadership. The meeting called for the winter-spring rural work groups to arrive at their respective work units before 25 December and leave before spring farming is basically ended in mid-April next year.

Common Efforts for Unification Urged

*HK1712123890 Beijing RENMIN RIBAO in Chinese
9 Dec 90 p 4*

[Article by Zhai Xiangqian (5049 6272 0051): "A Common Historical Mission"]

[Text] The voice for "Taiwan independence" on the island recently has recently reached an increasingly new pitch. However, there is increasingly more support for the stand of promoting peaceful unification of the motherland. A series of editorials, six in total, published by LIANHEBAO [United Daily News] of Taiwan under the title "The Two Shores Jointly Promote Peaceful Unification," reflect that urgent wish of various circles on the island.

The LIANHEBAO editorials firmly advocate the stand of one China and oppose splitting the territory of the country, saying "how to promote peaceful unification is currently the common call, as well as the joint effort, for all Chinese people." This is also our understanding, and here we have a consensus. The current separation into two shores has been a historical man-made act. But times have changed. To revitalize China and jointly build our motherland well, China must proceed toward unification, and this is a historical trend that nobody can delay.

To promote peaceful unification, the two shores must first strengthen exchanges and promote the "transport, trade, and postal relations." We are pleased to see that the two-shore exchanges have experienced new developments. Breaches have been made in the dam erected by the Taiwan authorities against the "three communications," proving that the "three communications" represents the common interests of the people of the two shores and their urgent wish. However solid the ice is, it will be broken if it blocks the mainstream. Many observant personages on the island increasingly feel the Taiwan authorities' "three no's" policy is against the current and difficult to stick to and that "it is time there should be a comprehensive review and adjustment."

Regrettably, two-shore contact, though now an indisputable fact, has basically remained non-reciprocal "one-way traffic." Trade and sea service are still carried out in a tortuous "indirect" manner. We expect the "three communications" to become more open. With frequent two-shore contact, many problems, either administrative or legal, urgently require that the two shores sit down at the table to have dialogue and talks, a move that seems demanded by reality. We hope the Taiwan authorities stop maintaining its position of "dealing with all changes with unchanged policy" and adopt active practical moves to promote two-shore relations.

We have 40 years behind us now, and great change has occurred on both shores. Because each side has different social systems and lifestyles, and there has been such a long separation, it is only reasonable that on a great many things views will differ. However, to jointly promote peaceful unification, dialogue, and talks is

unavoidable. When we sit down and talk face to face, everything can be negotiable. The important thing here is that both sides must look for common ground while agreeing that differences exist. The most sensible and practical course would be: We set about building our socialism while you go ahead with your Three People's Principles. "The well water does not interfere with river water." Peaceful unification does not mean one side's "eating up" another. If the menacing insistence on accepting the "three preconditions," revoking the "four cardinal principles," and casting the CPC as a "renegade organization" remains, it will simply be impossible to build sincere cooperation let alone peaceful unification! Admitting that there are "differences," we nevertheless seek "common ground." Only when we respect each other can there be mutual understanding and can we build consensus. Only this can be called a pragmatic attitude, and only thus can we contribute to promoting peaceful unification.

The LIANHEBAO editorials pointed out: "Because of complicated subjective, as well as objective, conditions unification cannot be achieved at one go. Historical development must go through certain stages." This is undoubtedly true and makes clear that we have a long road and heavy task ahead, and must take our strides with a sense of urgency. We favor the compatriots of both shores stepping forward to advance the peaceful unification of the country and also welcome all of us to contribute opinions and ideas to the promotion of peaceful unification. Let us join hands in the common efforts at jointly building a prosperous, strong, and unified China.

KMT Stance on Taiwan Independence Viewed

HK1712135190 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 8 Dec 90 p 2

[Article by staff reporter Tao Shian (7118 0013 1344): "For Reunification, It Is Necessary To Check the Spread of 'Taiwan Independence' Ideas"]

[Text] Since the beginning of the year, "Taiwan independence" ideas have spread widely, and "Taiwan independence" activities have become rampant. They have become more open, organized, and programmatic. This inevitably has drawn people's close attention. The fact that the situation has become this bad is related to the Taiwan authorities' indulgence and tolerance toward "Taiwan independence" forces, and to their anti-communist and peace-rejecting stand, by which they delay the motherland's peaceful reunification.

The Kuomintang [KMT] authorities handle "Taiwan independence" activities in a basically "low-key manner and with words rather than action." They "attack them in an abstract way while tolerating them in a concrete manner." On 20 May, the newly elected KMT "president" granted a special "amnesty" to a number of "Taiwan independence" advocates. This concession has made some "Taiwan independence" diehards feel that

the KMT has given some "tacit consent." No sooner had he stepped out of prison, singing the "Independence Progression" and the "Independent Nation," then "Taiwan independence" activist Tsai Yu-chuan started vigorously advocating "Taiwan independence."

At the end of June and the beginning of July this year, a "National Affairs Conference" was convened in Taiwan. Astonishingly, the conference's Preparatory Committee had intended to invite "Taiwan independence" activist Peng Ming-min, who had stayed away from Taiwan for over 20 years under an arrest warrant, to the conference. However, people from all circles boycotted the matter, and the Preparatory Committee was forced to drop the invitation. The conference changed the discussion item on the agenda from the "country's reunification," which is related to how and when to reunify the country, to "relations between the two sides of the strait and the policy for the mainland." It spent much time discussing the so-called relations between the sovereignties possessed by the two political entities. Public opinion generally held that the conference was actually a "Taiwan affairs conference." By the conference, the KMT's desire to stand on its own on the island was fully demonstrated. Fifty-three political parties on the island also made declarations against the convening of the conference, maintaining that it would not be a "national affairs" meeting participated in by all the people, but a political consultative conference between the KMT and the Democratic Progressive Party [DPP], or even a "Taiwan independence conference."

Taiwan's judicial authorities even carried out "democratic and liberal" reform in relevant legal clauses in order to pardon the "Taiwan independence" speeches and acts that the authorities consider friendly on the grounds that "those who express their opinions for a friendly purpose will not be punished." On 28 June, "Taiwan independence" activist Chen Chao-nan, who was allowed to enter Taiwan, was arrested and sent to trial by Taiwan's "Higher Procuratorial Department." Four days later, he was released with a light sentence. Judgment on Luo Yi-shih's case was given on 1 October, maintaining that his "Taiwan independence" speeches were only based on his own views and did not constitute sedition, and therefore he was pardoned. The authorities also lightly punished Chen Wan-chen and Huang Hua, who had vigorously advocated the founding of the "Republic of Taiwan" and "Taiwan independence" in Taiwan. In so doing, they have virtually provided legal protection to "Taiwan independence" activists and legalized "Taiwan independence" activities.

The KMT authorities only express verbal opposition to "Taiwan independence," but they have in fact given tacit consent and protection to it, thus fanning the flame of "Taiwan independence" activities. At the end of September, some "Taiwan independence" advocates in the DPP put forward a proposal that "Taiwan's sovereignty does not include China," in a brazen attempt to split the motherland. When the KMT authorities learned of it, they immediately sent people and had secret

dealings with them. The wording of the proposal was later changed to "actual sovereignty does not include mainland China." They used the concept of "actual," to cover up the "Taiwan independence" advocacy, which was too easily observable. In mid-November, some DPP members formed the "Taiwan Sovereignty and Independence Movement Committee," which is aimed at turning "Taiwan independence" ideas into action in the hope that the world will fully recognize the independence of Taiwan's sovereignty. The KMT authorities only criticized them verbally. Although Taiwan's "Administrative Yuan" said in a statement on 15 November that "if the DPP continues to involve itself in organized seditious activities, it will be seriously punished according to law," some relevant departments have not started serious investigations on the pretext that the DPP has not officially carried out activities.

If one looks at the the "one country, two governments," "flexible diplomacy," and "dual recognition," policies, which the Taiwan authorities have pursued in recent years and which virtually amount to "one China, one Taiwan," and "two Chinas" policies, one will have no difficulty understanding why the Taiwan authorities have taken an ambiguous attitude toward "Taiwan independence" speeches and acts. In order to pull themselves out of isolation in the world, the Taiwan authorities relied on their economic strength to vigorously pursue so-called "flexible diplomacy," by which they use money to rope in and deceive seriously poor countries into establishing "diplomatic relations" or "restoring diplomatic relations" with them. The fact that they pursue these policies produces a similar effect to the "Taiwan independence" advocacy, and therefore they have won the applause of "Taiwan independence" forces. This February, overseas "Taiwan independence" activist Peng Ming-min initiated the founding of "the Asia-Pacific Democratic Association" in the United States in order to assist the Taiwan authorities in pursuing "flexible diplomacy." Moreover, Peng Ming-min said: "Taiwan's politics and diplomacy have changed the situation since Taiwan's new authorities have been in power. This deserves our support and affirmation." Public opinion on the island also said: "By so doing, the KMT authorities have 'quietly pushed Taiwan' onto the road to 'two Chinas.'"

The development of matters has fallen short of the Taiwan authorities' expectation. The spread of "Taiwan independence" forces has thrown Taiwan into social and political chaos, and seriously endangers the KMT's ruling status. The Taiwan authorities' practice also has given rise to opposing views and resistance from the people on the island and from the KMT itself. More and more people see that they cannot stay separated for a long time and that if China's reunification is further delayed, Taiwan will soon become separated. This will be a disaster for Taiwan and the Chinese nation. Only by holding CPC-KMT talks and working for reunification can the KMT check the spread of "Taiwan independence" ideas and can Taiwan remain stable and prosperous. The several surveys conducted by the island's

and overseas media organizations reveal that the majority of people support the direct "three links," support CPC-KMT talks, and are opposed to separatism. And more and more people in the KMT call for abandoning the "three nos" policy and for holding CPC-KMT talks.

As public opinion on the island says: "One China and reunification are the common beliefs and goals of people on both sides of the strait, and the common hope of the Chinese people at home and abroad. With the common beliefs and common goals in mind, peaceful reunification should be the irreplaceable consensus of the Chinese people on both sides of the strait, whether out of ethnic and compatriotic love, or in the common interest and for the well-being of the two sides." It is the trend of the times and the expectation of the people, so no one can resist it. Driven by the present situation, the Taiwan authorities have, in recent months, formed the "National Reunification Committee" and "the Administrative Yuan Mainland Committee." People from various circles have set up the "Strait Exchange Foundation." Some senior government officials and scholars are also currently working out guiding principles and steps toward reunification. It is our hope that the Taiwan authorities will take actual steps toward contact, dialogue, and talks, and further eliminate hostility, improve relations between the two sides of the strait, remove the limitations on nongovernmental contacts and economic development, discard the "three nos" policy, and create a favorable climate for "peaceful reunification." Only in this way can they check the spread of "Taiwan independence" ideas.

Taiwan Draft Regulations Discussed

HK1712155190 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 11 Dec 90 p 5

[Article by Yu Keli (0060 0344 4409): "Stumbling Block to Development of Cross-Straits Relations—Commenting on Draft Regulations Concerning Relations Between Two Sides of the Strait Put Forward by Taiwan Authorities"]

[Text] On 1 November 1990, Taiwan's "Executive Yuan" adopted the "Draft Regulations on People-to-People Relations Between Taiwan Area and the Mainland Area" (shortened as "Draft Regulations"), originally drawn up by its "Ministry of Justice" and revised by the former "Mainland Work Council." The draft was then immediately submitted to the "Legislative Yuan" for priority deliberation as an important bill.

The "Draft Regulations" attempt to standardize various activities already taking place between the two sides, being restrictive and prohibitive. They do not conform to the actual conditions of the development in the relations between the two sides, while setting many hurdles in the way of mutual nongovernmental relations between the two sides of the strait, forming a roadblock to the development of the relations between the two

sides. The document runs counter to the usual Taiwan authorities' tone of their hope for promoting the peaceful reunification of the two sides. The publication of the "Draft Regulations" immediately drew fire from all circles in Taiwan, especially legal and academic circles, and some personalities in political circles as well. The author believes the major problems in the draft regulations in question are as follows:

I

The theoretical framework with "one country, two areas" as the basic policy attempts to fix the relations between the sides of the strait at two independent "political bodies," while making them "permanent" and "legalized" in the "legislative" form.

Taiwan's "Ministry of Justice" has, since 1 February 1989, put forth the "Draft Provisional Regulations on People's Relations between the Taiwan Area and the Mainland Area," which was submitted to and adopted by the "Mainland Work Council, Executive Yuan" and sent to the "Legislative Yuan" for its deliberation. The draft was shelved at the "first reading" because the majority of "Legislative Yuan members" believed it to be too "conservative," and "rigid." Last June, the supreme decision-maker of Taiwan's "Ministry of Justice" openly put forth the idea of "one country, two areas," and formulated a new draft on the basis of the old, while omitting "provisional" in the title of the regulations. The idea of "one country, two governments" met with strong opposition from personalities of all circles on the two sides of the strait; the Taiwan authorities set forth their mainland policy of "one country, two areas" to deal with the legal relations in civil affairs between the two sides. The "Draft Regulations" are precisely revised based on the theoretical framework of those policies. Their purpose is to replace the rather sensitive political concept of "one country, two governments" with the geographical concept of "one country, two areas," to evade the issue of jurisdiction with a rather vague and neutral term, to "tone down the political argument and debate over sovereignty between the two sides." But in substance, they aim to create two independent "political bodies" with equal political status, namely regarding Taiwan and the mainland as two independent "political bodies on the basis of acknowledging the "mainland area" and "Taiwan area" as two "legal regions" or "legal areas," each having its own different legal institutions and structure, while making such status "permanent" by "legislative" means. The "positioning" of the relations between the two sides based on this pattern will only help the tendency of separation, but will not help at all in the development of the two sides' relations along a healthy direction characterized by mutual promotion, nor will it help the peaceful reunification of the two sides.

II

Through "legislative" means, economic relations, trade, investment, technological cooperation, and free

exchanges will be restricted to the "indirect" and "one-way" level in an attempt to make the separation between the two sides "permanent" and "legalized."

In recent years, especially since the beginning of this year, Taiwan's masses (including many personalities within the Kuomintang [KMT]) have strongly demanded that the Taiwan authorities give up their "three no's" policy, lift the ban on two-way exchanges between the two sides, and realize "the establishment of transport, trade, and postal relations" as quickly as possible. However, the Taiwan authorities have turned a deaf ear to such voices, while in the "Draft Regulations," economic relations and trade between the two sides are restricted to the "indirect" and "one-way" level, absolutely banning direct investment, economic relations and trade, technological cooperation, or other commercial behavior of Taiwan people on the mainland. Rudely and unreasonably, they placed all kinds of restrictions or prohibitions on free exchanges of people between the two sides, while enforcing their implementation by such means as prison sentences, custody, and fines. The "Draft Regulations" also set strict restrictions or prohibitions of every description on the strong demands of people on the two sides for direct transportation and communication, unfolding banking operations, and cultural exchanges.

These regulations reflect the Taiwan authorities' great fear of free ties between the people of the two sides; therefore, they have resorted to "legal" clauses to strictly restrict or ban them. Professor Hsu Chen-kuo of Taiwan's Soochow University pointed out: "This bill is excessively pessimistic. If the forming of any joint organizations by people of the two sides is banned, that will mean banning their natural unification, while making the separation of the two sides of the strait permanent and legal." Taiwan "Legislative Yuan" alternate member Lin Cheng-chieh also believed that the "Draft Regulations" "will make Taiwan-mainland relations 'permanent,' but fail to break through 'the three no's' policy, and is a far cry from people's hope for lifting the ban. I'm afraid, the 'draft regulations' will become a stumbling block and burden to the development of Taiwan-Mainland relations."

III

The "Draft Regulations" are discriminatory and hostile to mainlanders' rights and obligations in terms of Taiwan-mainland relations.

First, stipulations in the "Draft Regulations" regarding inheritance are extremely one-sided, with great discrimination shown against mainlanders. For example, the ceiling set for mainlanders in inheriting legacies from their relatives in Taiwan is 2 million New Taiwan dollars. This regulation enables Taiwan inheritors to inherit the remainder after the ceiling set for mainland inheritors has been deducted, aside from their own shares according to the law, while artificially creating inequality in personal rights between relatives on the two

sides, causing differences, indifference, and even hostility between them, and corrupting traditional Chinese ethics. This also has given rise to universal complaints from Taiwan personalities of various circles, and they demanded that the Taiwan authorities delete this nakedly discriminatory clause against mainlanders.

Setting a ceiling on mainland inheritors' receiving legacies from relatives in Taiwan is unreasonable, the more so to deprive mainlanders of inheriting non-liquid holdings. Article 57 in the "Draft Regulations" stipulates that in inheriting non-liquid holdings, mainlanders enjoy the same right as Taiwan people do on the mainland. This has transferred the hostility in politics, economy, and the social system against the mainland to civil law, and converted the opposition in political ideologies to the deprivation of personal rights, namely depriving mainlanders of the right to inherit the most important legacies—land, farms, factories, mines, ships, fish farms, and so forth.

Then, in Article 10 of the "Draft Regulations," mainlanders who choose to settle down in Taiwan are not permitted to register as candidates for public office, to become personnel of the military and government organs, educational institutes, or public-run institutions, or to organize political parties until after a five-year residence in Taiwan. Articles 59 and 60 stipulate that legal actions are banned for mainland people, legalis homo, organizations, and other organs without sanction, nor are they allowed to become stockholders or members of legalis homo, organizations, or other organs. These clauses have fully brought to light the Taiwan authorities' fear, characterized by discrimination and hostility toward mainlanders, and their extreme unfairness. Because relevant mainland laws have stipulated that Taiwan compatriots who choose to settle down in mainland China enjoy the same public and personal rights as mainland citizens, whereas the Taiwan authorities deprive mainlanders who choose to settle down in Taiwan of their public and private rights for a certain period. Mainland laws give Taiwan people, legalis homo, organizations, and organs not only the same public and personal rights as mainland people, but also priority consideration under certain circumstances. Now thousands of Taiwan corporations and organizations are coming to the mainland seeking investment, trade, technological cooperation, and cultural exchanges, but the Taiwan authorities continue to shut their door and keep mainlanders outside. It is really disappointing to people on the two sides.

What is more, we find in Article 65 of the "Draft Regulations" such words as "those who have committed crimes of "rebellion" or "collaboration with foreign aggressors," or have participated in "rebellious" organizations or gatherings, or engaged in "treacherous" propaganda, and who enter the Taiwan area with permits, should "report their cases truthfully" upon their sending in their "applications." Such practice continues to regard the CPC as a "rebellious" organization, and a position insisting on being "hostile" to the mainland.

When people on the two sides are earnestly hoping for eradicating hostility and expanding exchanges, the Taiwan authorities cling to their anticommunist position; that is really in violation of the people's will.

The practice of the "Draft Regulations" in the guarding, discrimination, and hostility against mainlanders has raised the complaints of personalities of various circles in Taiwan, and they have sharply criticized it. Dr. Li Hwa-hsia of the China Institute of Economics pointed out the formulation of the regulations in question has failed to treat mainland citizens on an equal footing, and "they are regarded as 'second-class citizens.'" Mr. Lin Cheng-chieh lashed at it, saying the clauses stipulated in the "Draft Regulations" are too favorable to Taiwan people, while treating mainlanders unequally; there is little difference from the South African apartheid law; the name of the regulations in question might as well be changed to the "Law on Relations Between the Taiwan Empire and Its Mainland Colony." Should such an idea be translated into classical Chinese, it might read: "All land under the sky is the empire's territory, and the emperor's city."

And finally, the "Draft Regulations" are a unilateral production and unacceptable to people on the two sides, especially people on the mainland.

The "Draft Regulations" were unilaterally dished up by the Taiwan authorities in the idea of "one country, two areas," under the pretext of guaranteeing the Taiwan area's "security" and Taiwan people's "happiness." Just as was pointed out by many Taiwan scholars, the "Draft Regulations" are void of "equality," "comprehensiveness," and "prescience," and lag far behind the "realistic environment" of the development in Taiwan-mainland relations. It is precisely because they were unilaterally dished up "by one's own wishful thinking," they "can in no way be viewed as a law on Taiwan-mainland relations" and be acceptable by the two sides, especially mainland people, who have no obligation to observe the regulations in question; "consequently, they will only be stonewalled." It is regrettable that the Taiwan authorities of a self-claimed "democratic society" should have done such a thing devoid of common sense or democracy. The "Law on Taiwan-Mainland Relations" is an important matter involving the ties between the people of the two sides, and hence their joint efforts. It must be drawn up on the basis of extensive discussions by people of the two sides and ample negotiations between the authorities on the two sides. Should one side force its one-sided views on the other, their workability is out of the question.

Taiwan 'Security Problem' Viewed

HK1812073290 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 50, 10 Dec 90 pp 3, 4

[Article by Yuan Yang (6678 3152) and Chen Du (2525 3256); "Make Conceted Efforts To Create a Stable,

Auspicious, and Harmonious Atmosphere, a Discussion on the 'Security Problem' About Which the Taiwan People Are Concerned"]

[Text] Abstract: Over the past decade or so, the relations between the two sides of the strait gradually have changed from tension to relaxation and from confrontation to dialogue. An atmosphere of stability and auspiciousness has begun to appear.

Out of their political and military need, the Taiwan authorities, who insist on their anticommunist and antagonistic mentality, have deliberately created and heightened the so-called "security problem" in Taiwan, adding a disharmonious voice to the auspicious atmosphere between both sides.

This antagonistic mentality has set the interests of the people in Taiwan against the interests of the Chinese nation as a whole. It is aimed at obstructing direct contacts between both sides so that the Taiwan authorities can attain their goal of exercising sovereignty over that part of China for a long time, maintaining a situation of "neither reunification nor independence," and "waiting for changes to take place by adopting delaying tactics."

An increasing number of Taiwan compatriots have come to understand that the CPC's stand of "not promising to give up the use of arms" is not directed against the masses of people in Taiwan.

The people of both sides of the strait should make common efforts to create a stable and auspicious atmosphere to realize the great cause of reunification of the motherland. [end abstract]

For more than 10 years now, people on both sides of the strait have not heard the boom of guns, the symbol of military confrontation. Commercial vessels and fishing boats have been shuttling back and forth between both sides and millions of Taiwan compatriots have come to the mainland in an endless stream to visit their relatives, travel, sightsee, or do business. Marked achievements have been made in peaceful construction in the coastal areas on both sides of the strait, and the relations have developed from tension to relaxation and gradually from confrontation to dialogue to conform with the desires of the people. Although there are still political and man-made barriers, a stable and auspicious atmosphere gradually has been created in the exchanges, which is highly praised by the people on both sides.

However, under the auspicious atmosphere, people can still hear some disharmonious voices. That is, the Taiwan authorities have repeatedly emphasized the so-called "security problem" when handling relations with the mainland. In the concrete stipulations of their mainland policy, the Taiwan authorities repeatedly emphasize that it is necessary to "take the problem of Taiwan's security as the prerequisite," saying that this is "the starting point of all policies." Some unreasonable regulations restricting mainland personnel are explained as

measures "for the security of Taiwan." They said that "when the communists pour into the island all at once, Taiwan will sink." When talking about this problem, many political figures stress that the mainland wants to "attack Taiwan by force." Some rumors, such as the "establishment of the Fu, hou Military Region" and "the five-year plan for attacking Taiwan," have been spread by some news media in Taiwan, as if Taiwan's "security" was really threatened. At present, the relations between both sides of the strait are becoming more relaxed daily. It is especially necessary to ponder carefully and make a conscientious analysis of the so-called Taiwan "security problem" that has been deliberately created and spread.

The 'Anticommunist Mentality and Hostility' of the Taiwan Authorities in the Military and Political Fields Is the Crux of the So-Called Taiwan 'Security Problem'

History is a mirror. By reviewing history, people can gain some enlightenment and benefit. At the end of the 1940's, the Kuomintang [KMT] suppressed the "February 28th Uprising" by force. Following that, it was defeated on the mainland and went to Taiwan. Out of their hatred and hostility at that time, the ruling KMT leaders did what they could to carry out anticommunist propaganda, which was then developed into a white terror over the island in the 1950's and the 1960's. On the pretext of "security," the Taiwan authorities put many "red labels" on innocent people, such as "assisting the bandits" and so forth. The slogan "guard against spies" can still be seen in many streets and lanes in Taiwan. They put Taiwan under "martial law," which was imposed on the mainland before they went to Taiwan, for 38 years and the so-called "mobilization and suppressing rebellion" period still has not ended yet. In this way, they have planted a "fear-communist" feeling in the hearts of the people, causing them to live in constant fear. Under such circumstances, what happened on the mainland was deliberately distorted, and all kinds of rumors and slanders were created. Because the Taiwan authorities adopted a policy of blocking the passage of information and prohibiting contacts by post and telecommunications, the people on both sides of the strait were unable to see each other for 40 years. Some problems, which originally could be solved and clarified, remained unsolved and unclarified for a long time. Obviously, the so-called "security problem" at that time was created by the Taiwan authorities in order to carry out their policy of "military confrontation" and "counterattacking the mainland."

The affectionate exchanges between the people on both sides of the strait, which started at the beginning of the winter of 1987, shattered the "policy of isolation." "Seeing for oneself is better than hearing from others." The KMT's "fear-communist" and "anticommunist" propaganda collapsed of itself in the harmonious atmosphere of the reunion of relatives from both sides of the strait. It is natural that the "psychological defense line," which was built on sand, also rapidly collapsed of itself. Under this situation, the people on both sides of the strait demanded to eliminate antagonism, establish

mutual trust, and have more contacts and exchanges. They also demanded realization of the "three exchanges" in an all-round way.

In view of this situation, the Taiwan authorities created the so-called "security problem" in an attempt to obstruct the fast expanding exchanges between both sides. They also used it as a card in political struggle. People have taken note of the fact that whenever there were political disputes in Taiwan, and whenever the people on both sides were making exchanges boldly disregarding the obstructions placed by the Taiwan authorities, some people would certainly come out to recite their "security scriptures" urging people to "resist the enemy outside the door." They were trying in this way to obstruct and threaten the people.

A main pretext used by the Taiwan authorities is: Taiwan is a "narrow land with a dense population." If the mainland compatriots keep coming in large numbers, they may "endanger" the island. As a matter of fact, this hypothesis is not realistic. The current methods for the mainland compatriots to enter or leave Hong Kong have not resulted in the entry of large numbers of mainland compatriots. All those who have gone to Taiwan to visit their relatives also observe local regulations and do not constitute a "danger" to Taiwan. Obviously, by constantly talking about the "security problem," the Taiwan authorities have a political purpose. In essence, it shows that some of the Taiwan authorities will never be willing to give up their "hostility idea" against the mainland. With this "hostility idea," the Taiwan authorities have set the interests of the Taiwanese people against the interests of the Chinese nation as a whole, exaggerated the contradictions between the two, obstructed the direct contacts between both sides, and stepped up their political infiltration so that they can attain their goal of exercising sovereignty in that part of China for a long time," maintain a situation of "neither reunification nor independence," and "waiting for changes to take place by adopting delaying tactics."

What should be pointed out is that while insisting on their hostility stand, the Taiwan authorities are also distorting the CPC's policy on "peaceful reunification and one country, two systems." They also have distorted the CPC's stand of "not promising to give up the use of arms," which is directed against certain forces attempting to split China, as an intent to "fight bloody battles with Taiwan" and to "attack Taiwan by force." Trumping up a countercharge against the mainland, they say that they have not received a "kind response" from the mainland to their "open" policy. They regard this as a prerequisite for contacting and negotiating with the mainland. For this reason, it is entirely necessary to clarify some ideas with a perfect explanation so that misgivings and misunderstandings can be eliminated.

An Increasing Number of Taiwan Compatriots Have Come To Understand the CPC's Stand of 'Not Promising To Give Up the Use of Arms'

It is our firm and resolute policy to solve the Taiwan issue and realize national reunification by peaceful means. Despite the fact that many important changes have taken place in the international situation and on Taiwan Island, we will still adhere to this policy because it will help maintain prosperity and stability in Taiwan and enable both sides of the strait to promote mutual assistance and supplementing in the economic field; promote cultural exchange and mutual trust; and pave the way for peaceful reunification so that both sides can eventually become inseparable parts of China. Peaceful reunification conforms to the desire of the fellow countrymen on both sides. "Fellow countrymen do not fight with one another" because this can only weaken the vigor of the Chinese nation, enabling foreigners to profit from it. Therefore, peaceful reunification accords with the will of the people. We never said that we would resort to arms against the people on Taiwan who are in favor of peaceful reunification, but we cannot promise that we will not use arms. This is directed against foreign interference and separatism. If we promise that we will not use arms, we can only make the foreign interference forces and separatism swell with arrogance and harm the development of peaceful reunification. As reunification of the motherland is China's internal affair, how can we bind our hands and feet in the face of foreign interference forces and separatism? Are there any sovereign countries in the world that have voluntarily given up the right to protect their sovereignty? When meeting with a visiting group from Taiwan, General Secretary Jiang Zemin said: "We are compatriots as closely linked as flesh and blood. Why should we hate each other and be antagonistic toward each other? Why should we fight with each other?" He continued: "I believe that when the Taiwan compatriots understand this, they will have no objection to it." People are glad to see that more and more compatriots in Taiwan have come to understand that the CPC's stand is not directed against the masses of people there.

The Sincerity of the CPC's Policy for Peaceful Reunification of the Motherland and Promoting the 'Three Exchanges' Between Both Sides of the Strait Is Universally Acknowledged

As early as the 1950's, while opposing the international plot to split China and "administer Taiwan with the strait as the boundary," the Chinese leaders repeatedly stressed that "peace is the most valuable thing" and that "all patriots belong to one big family." They advised the KMT leaders in Taiwan that "of the 36 stratagems, the best is peace." In the 1960's, after smashing the KMT's plot to send armed special agents to the mainland, they transmitted messages to Taiwan proposing that both sides no longer get up to little tricks and no longer do anything harmful to unity. At the end of the 1970's, when the policy of overall reform and opening up was being carried out on the mainland, they announced the

general policy of striving for the peaceful reunification of the motherland. Later, on its own initiative, the mainland side stopped bombarding Quemoy and sending propaganda materials to that city by sea or by air. At that time, the mainland also proposed to "end the military confrontation between both sides" and "create the necessary prerequisites and safe environment for contacts and exchanges between both sides in any fields." After that, the CPC also stipulated in concrete policies that Taiwan's existing social and economic systems, as well as the life style there, will remain unchanged and that Taiwan as a local government will be allowed to retain its own military forces. In their letters, the CPC leaders proposed to abandon all previous ill will and "meet each other with smiling faces." All this shows the mainland's sincerity in striving for a peaceful settlement of the Taiwan issue. At the end of the 1980's, under pressure from people on both sides of the strait, the Taiwan authorities began to allow people to visit their relatives on the mainland. Governments at all levels on the mainland treated the Taiwan compatriots enthusiastically and warmly and helped them solve all kinds of difficulties. In this way, they did their bit for the reunification of the Chinese nation. To remove misgivings left over from history, the Supreme People's Court and the Supreme People's Procuratorate twice announced that all past criminal acts by KMT military and government personnel will not be prosecuted. Over 10 reception stations have been established for Taiwanese fishermen in some mainland coastal areas where they can get supplies, repair their boats, and shelter from the wind. In the exchanges between both sides, although at present personnel from the mainland are still unable to visit Taiwan due to the restrictions placed by the Taiwan authorities, all departments concerned on the mainland have treated the visitors from Taiwan with sincerity and made things convenient for them in entry and exit, disregarding their social status and political beliefs. Exchanges between both sides are being made in various fields, the recent Asian Games being the biggest in scale. Recently, when the Gulf crisis began, the Chinese embassies in some Middle East countries tried every means to help Taiwan compatriots leave the dangerous places along with mainland laborers. When Taiwanese fishing boats were detained by a certain country, the mainland also did all it could to help them. All this was done with sincerity rather than hostility. When disturbances occurred in some parts of the mainland, no further restrictions were placed on the relations between both sides. On the contrary, more reporters from Taiwan came to the mainland to cover news in that year and more Taiwan compatriots were received. Even under abnormal situations, such as during the "Huang Teh-pei Incident," the relevant departments on the mainland also gave lenient treatment to Huang's case in consideration of the auspicious atmosphere between both sides. As to some cases that really endangered the security of the people in Taiwan, such as the "cases concerning illegal guns," the relevant departments also have taken serious measures to punish criminals and plug loopholes. In September this year, motivated by a sense of

humanity and security, the Red Cross organizations from both sides reached an agreement in Quemoy about repatriating illegal immigrants by sea. This opened up a new path in providing the masses on both sides with security protection. All these kind of measures are there for all to see. From their personal experiences, the people in Taiwan will certainly be able to distinguish between right and wrong and between good and bad.

Only When Reunification Is Eventually Realized Can the Taiwan P Fundamentally Eliminated

People may ask: Does this mean that there is no security problem in Taiwan? We should point out that the biggest security problem in Taiwan is that because the motherland has not been reunified, Taiwan's position cannot be stable. Deng Xiaoping pointed out sharply: "If the motherland is not reunified, Taiwan's position will remain unstable. It may be taken away by someone else!" If reunification of the motherland is realized, the Taiwan people's sense of insecurity will be fundamentally eliminated. The Chinese on both sides of the strait will be able to live safely and peacefully for a long time and stand erect in the world forest of nations. On the contrary, if the motherland is not reunified, the Taiwan people can only live under the shadow of instability for a long time and always with a sense of insecurity. They will be unable to live and work in peace and contentment.

On the other hand, due to the long-term separation between both sides, misgivings and doubts also have arisen between the people on both sides of the strait, who live under different social systems. It would be better for our compatriots in Taiwan to visit the mainland to see things with their own eyes and make analyses and

comparisons through inspections and investigations so that they can obtain a "safety coefficient" for themselves. On the part of the governments at various levels and the people on the mainland, an important thing for them to do is to provide the people from Taiwan with faithful information and reliable legal guarantees so that the misgivings of the latter can be eliminated in the course of exchange. At the same time, efforts should be made to speed up the contacts between the people on both sides to eliminate hostility, doubts, and differences and to enhance mutual trust and understanding. People believe that with the strengthening of political stability and the fast development of economic construction on the mainland, and with the deepening of the national feelings of the people on both sides of the strait, the Taiwan people's misgivings and apprehensions will gradually be dissolved and eliminated.

The people are the motive force in the development of history. The exchanges between the people on both sides of the strait over the past three years or so proves that only this force of the people can form the basis for a peaceful reunification. All pretexts under the name of "security problem" will not be recognized by the people and will eventually be discarded by them once their essence is exposed. We hope that the Taiwan authorities will not go against the will of the people and continue to obstruct the exchange and friendship between the people on both sides under the pretext of the so-called "security problem." The people on both sides of the strait will realize more deeply that the great unity of the Chinese nation is a demand of history, and stability and an auspicious atmosphere are their common desires. Provided the people on both sides of the strait make common efforts to eliminate hostility, the long-term tranquility of our country will surely be realized!

Illegal Mainland Immigrants To Be Deported

*OW1812045190 Taipei CNA in English 0245 GMT
18 Dec 90*

[Text] Taipei, Dec. 18 (CNA)—Chen Chang-wen, secretary general of the Republic of China [ROC] Red Cross Society, said Monday that his mainland counterpart had agreed to accept some 200 illegal mainland immigrants being sent home before the Lunar New Year in mid-February.

Chen said the northeast Taiwan detention house for the illegal mainland immigrants was full and he has urged the mainland Red Cross Society to speed its identification procedures so that detainees in Taiwan could be sent home at an earlier date.

Chen said most illegal mainland immigrants had requested they be repatriated home on the same fishing boats that had carried them from the mainland, but for security reasons, ROC Red Cross Society would consider doing so only if there were no other ways available.

After a commotion broke out Sunday morning in Lotung, northeastern Taiwan, the site of the detention house, Chen contacted his mainland counterpart and expressed the hope that the detainees could arrive at the other side of the Taiwan Strait before the Lunar New Year.

Trade With Southeast Asia Grows 22 Percent

*OW1812045290 Taipei CNA in English 0240 GMT
18 Dec 90*

[Text] Taipei, Dec. 18 (CNA)—Republic of China [ROC] exports to Southeast Asia in the first 11 months of 1990 reached 13.95 billion U.S. dollars, second only to its exports to the U.S. market, the Board of Foreign Trade (BOFT) said.

ROC exports to Southeast Asia in the 11 months grew 22.2 percent as compared with 1989, making this part of the world the fastest growing region of the nation's export markets, BOFT said.

Southeast Asia has become one of the best market diversification targets of many countries, now that U.S. economy is in recession. BOFT warned the nation's traders to pay careful attention to market competition there since Japan and South Korea have also listed Southeast Asia as one of their major export markets.

It noted that South Korea has significantly increased investments in the region in recent years and trade volume with the region has also grown rapidly.

Japan, facing difficulties in exporting to the United States and Eastern Europe, is planning to expand machinery production in the area so as to increase its exports of machine parts and components, BOFT added.

More Trade Offices in Germany Planned

*OW1812035690 Taipei CNA in English 1543 GMT
17 Dec 90*

[Text] Taipei, Dec. 17 (CNA)—The Executive Yuan said Monday the government plans to promote trade relations with the former East Germany.

The yuan said that in addition to the former West Germany which is one of the Republic of China's [ROC] major trading partners in Europe, the government also attaches great importance to the former East Germany.

The plan, the Executive Yuan said, calls for expansion of the number of staffers stationed in Germany by the Ministry of Economic Affairs and the China External Trade Development Council.

It will seek to open trade offices in what was East Germany. The ROC already has a couple of trade offices in the former West Germany.

The yuan added that it will also promote technical cooperation between companies of both countries and the formation of joint venture companies to facilitate Republic of China exports.

Another emphasis of the plan, the yuan said, is strengthening exchanges of visits by government officials and business leaders of both countries and holding seminars to promote cooperative relations between the two countries.

Ambassador Donates Toys to Panamanian Children

*OW1812104590 Taipei CNA in English 1009 GMT
18 Dec 90*

[Text] Panama City, Dec. 17 (CNA)—Republic of China [ROC] Ambassador Soong Chang-chih and Mrs. Soong donated Monday, on behalf of the ROC Government, a batch of toys to the First Lady's Office of Panama as Christmas gifts for Panamanian children.

The donatives [as received], which are worth about 20,000 U.S. dollars, were received by Mrs. Yap, executive director of the First Lady's Office, in a ceremony held in Panama City.

Speaking on the occasion, Mrs. Yap, who is daughter of President Guillermo Endara and is married to Javier Yap, second son of Panamanian Ambassador to the ROC Carlos Yap, thanked the ROC Government and Ambassador Soong as well for the generous donation.

She indicated that the donation represented the ROC's friendship with Panama which would be remembered in the deep heart of the younger generation.

The toys will be given to children of poor families mainly in rural areas, for whom it may be difficult to get a toy for Christmas, Mrs. Yap explained, adding that the donation would make an unforgettable happy Christmas for them.

On hand to witness the ceremony were also Fermin Chan, president of the Overseas Chinese Association, and officials of the ROC Embassy.

Hong Kong

Hong Kong Bank Moves To Ensure Future

HK1812012190 Hong Kong HONGKONG STANDARD
in English 18 Dec 90 pp 1, 3

[By Lotte Chow, S.Y. Yue, and S.L. Law]

[Text] The Hong Kong Bank announced yesterday it will become a subsidiary of a British-incorporated holding company.

The announcement, made late yesterday afternoon by chairman William Purves, ended weeks of speculation that the 120-year-old bank will shift its domicile.

At the same time, he announced that a planned merger with Midland Bank of the UK will not go ahead.

Midland chairman Sir Kit McMahon said the Hong Kong Bank's decision to incorporate in the UK would make a future merger with Midland easier to achieve.

Mr Purves said the move to the UK was designed to inspire long-term confidence among the bank's international investors.

He said he had confidence in the future of Hong Kong but could not convince other investors. "We have evidence that banks and others in other larger financial markets in the world are questioning the future," he said.

"Treasuries and banks in the world are looking very closely at country risk and bank risk."

"Our name is not so readily accepted for longer-term transactions."

Business and political leaders largely described it as a sound business move that will secure the bank's future, although some analysts likened it to a Hong Kong resident getting a British passport.

Financial Secretary Sir Piers Jacobs said it was a commercial response to commercial problems and would not undermine confidence. Less optimistic was legislator Lau Wahsum, an accountant and financial adviser who said the move will affect overseas investors' desire to pump money into the territory and further depress Hong Kong people.

United Democrats of Hong Kong leader Martin Lee said if China continued its present interfering policies more business would follow suit. Under the proposed restructuring, to be put to shareholders in February:

—Hong Kong Bank will become a subsidiary of a new holding company, HSBC Holdings Plc, incorporated in the United Kingdom. This company is at present a wholly owned subsidiary of Hong Kong Bank.

—Hong Kong Bank shareholders will receive one new HK\$10 ordinary share in HSBC Holdings for four existing \$2.50 shares in Hong Kong Bank.

—Listings of Hong Kong Bank on the London and Hong Kong stock exchanges will be replaced by listings of HSBC Holdings.

The changes mean the bank, although based and domiciled in Hong Kong, will belong to a UK-domiciled company.

Asked if the decision would have an adverse impact on confidence here, Mr Purves said that was not his intention.

"If people all say it will have a short term effect, I guess it might have," he said.

"But I hope you wouldn't believe I am doing something to bring instability to Hong Kong."

Mr Purves said the move would enable the bank, which has operations in 48 countries, to continue to grow internationally to and beyond 1997, when China takes sovereignty over Hong Kong.

He emphasised the bank would remain based, controlled, managed and headquartered in Hong Kong, and that it would continue to be supervised by the Hong Kong Banking Commissioner, a key condition in the proposal.

Because of its non-resident status, Hong Kong Bank will not be liable to UK tax on income and gains derived outside the UK, meaning no additional UK tax will be payable by the group.

Sir Piers said the new structure would assure international confidence in the company and help to assure that Hong Kong remained a thriving international financial centre.

"We are satisfied that the reorganisation will not affect the bank's operations in Hong Kong."

"The Government therefore told the HSBC that it supported the proposed reorganisation."

The Secretary for Monetary Affairs, David Nendick, said there was no material difference between registering here or the UK.

"The management and the directors will all be based in Hong Kong," he said.

He rejected suggestions the move would make it easier for the bank to move its assets out quickly.

"If they want to transfer assets outside Hong Kong, they can do it without going through all these arrangements."

"I think it should be a reassurance rather than any negative effect on Hong Kong."

Legislator Lau Wahsum said: "As a commercial move, there is nothing wrong about it."

But he said in the short term, the decision would affect the stock market and psyche of investors.

Legislative Councillors gave cautious endorsement to the move.

Liberal Jimmy McGregor said it was a sad but predictable move while commercial lawyer Peter Poon believed it would not have any serious long-term effect on the Hong Kong economy.

Mr McGregor said: "Any company with such an international operation will do the same to protect their business and the interest of their shareholders."

Peter Poon said the decision was not unexpected. "Legally the bank is moving out of Hong Kong but its physical mobility is actually very limited."

Martin Lee blamed Chinese officials who had recently showed gestures of meddling in Hong Kong affairs for the decision.

"This is not surprising, a lot of business institutions have lost confidence in Hong Kong since June 4 last year."

"Recently, China seemed to have adopted a more interfering policy on Hong Kong. I expect more business institutions to move if this goes on."

Opposition leader Szeto Wah said: "The decision shows how serious the confidence crisis is."

"Chinese officials should work to improve confidence not upset it."

Financial analyst John Mulcahy said it was a sound business move but akin to obtaining dual nationality.

Timing Surprises PRC

HK1812013390 Hong Kong HONGKONG STANDARD in English 18 Dec 90 p 1

[Text] Chinese officials here were surprised by the Hong Kong Bank's plan to have its holding company incorporated in Britain.

Officials were understood to view the move negatively and some believe it carried a political connotation.

Tan Fuyun, assistant director of Xinhua involved in economic affairs, said she did not have detailed information on which to comment but thought the bank's move was a "business decision."

Chinese sources said Beijing had not expected the bank's move so soon, though it was not unexpected.

The announcement prompted some China analysts to link the move to political motivations.

Analysts have put some weight on the timing, which came days after harsh criticism of the territory's airport project and finances by Lu Ping, the newly-promoted director of the Hong Kong and Macao Affairs Office under the State Council.

Bank Chairman William Purves said the move was not meant to upset China.

"We have a major relationship with China and I have no wish to upset China. I hope they would see it as a commercial move," he said.

Mr Purves refused to reveal what had been discussed when he met Chinese Prime Minister Li Peng in October.

But he said authorities in China were well aware of the importance of the Hong Kong Bank.

PRC Official Noncommittal

HK1812020190 Hong Kong SOUTH CHINA MORNING POST in English 18 Dec 90 p 1

[Text] Senior Chinese official, Mr Guo Fengmin, said the Hong Kong and Shanghai Bank should be fully aware of the impact of its "reorganisation" on the local economy.

However, Mr Guo, the head of the Chinese team of the Sino-British Joint Liaison Group (JLG), was non-committal on whether the move by the bank would affect its position as a quasi-central bank for the territory.

"I have not yet considered and studied this problem." Mr Guo said.

He declined to express what China's stance on the bank's decision might be.

Instead, he stressed that it was Britain's responsibility under the Joint Declaration to maintain Hong Kong's prosperity and stability before 1997.

"A bank like the Hongkong and Shanghai Bank should fully understand the possible impact of its action."

"According to the Joint Declaration, it is the responsibility of Britain to maintain Hong Kong's prosperity and stability."

"The long-standing policy of the Chinese Government is to enhance the prosperity and stability of Hong Kong. The policy would not change," he added.

When asked how the decision might affect the economy, Mr Guo said: "The bank and Hong Kong people in the economic sector must know better than I do."

Mr Guo would not confirm whether China had been informed of the move in advance.

His remarks, however, came only about 30 minutes after the announcement.

He would not be drawn on whether the bank would continue to issue Hong Kong currency after 1997.

Section VII of Annex I of the Joint Declaration and Article 111 of the Basic Law provides that the Special Administrative Region government "may authorise designated banks to issue or continue to issue Hong Kong currency under statutory authority, after satisfying itself that any issue of currency will be soundly based and that the arrangements for such issue are consistent with the object of maintaining the stability of the currency".

Editorial on Bank Move

HK1812043090 Hong Kong WEN WEI PO in Chinese 18 Dec 90 p 2

[Editorial: "Commenting on HongKong Bank's Change of Legal Domicile"]

[Text] The Hong Kong Shanghai Bank, which is a central bank in Hong Kong, yesterday announced its "restructuring" in which it has decided to set up a holding

company in England to control all the shares of the bank. This, in effect, is a change of legal domicile. In the future, the major decisions of the bank will be made by the holding company in England; it is changing from a Hong Kong-registered bank to a foreign one.

Some people say the bank's move is a "commercial decision," and they have wrongly taken it lightly. Judged from Hong Kong Bank's position in Hong Kong, such a move in the latter period of the transition will have a psychological impact on investors, jeopardize Hong Kong residents' confidence, and shake Hong Kong's stability and prosperity; the responsible people should have known this well in advance.

Hong Kong Bank is not an ordinary commercial bank. It is Hong Kong's main note-issuer, central clearance bank, a bank that the Hong Kong Government relies on for financial operations, and a bank used by the Hong Kong Government for main transactions. For a long time, Hong Kong Bank has had strict regulations governing the number of shares held by shareholders, who are not allowed to hold more than one percent of the total number of shares. This regulation is linked to its position as a central bank. Any decision made by such a bank anywhere in the world would not be a purely commercial one.

Hong Kong's financial policy always has remained independent, and this is beneficial to Hong Kong's prosperity and stability. In the 1960's, 1970's, and 1980's, when the pound fluctuated greatly and Britain increased interest rates to rescue it, Hong Kong's finances remained stable, and the Hong Kong dollar was strong. At a time when the pound was rapidly weakening, Hong Kong's Foreign Exchange Fund separated itself from the pound, reduced pound reserves, and diverted to various foreign currencies. Hong Kong Bank directly influenced and took part in the decision concerning the Foreign Exchange Fund. This is to say, Hong Kong Bank is already an important factor in determining the stability of the Hong Kong dollar. Thus, the bank should fully recognize and fulfill its responsibility toward Hong Kong and should not act rashly in a way that will have a negative impact on Hong Kong's stability and prosperity.

In the Sino-British Joint Declaration, it is stipulated that Britain is to administer Hong Kong before 1997 and to maintain Hong Kong's stability and prosperity. According to this, the British Government and the Hong Kong British authorities should adopt earnest measures to prevent any incident that would affect Hong Kong people's confidence, and jeopardize stability and prosperity, from occurring. We all know that Hong Kong Bank has close relations with the Hong Kong Government, and its privilege to play a part in the operation of finance and foreign exchange in Hong Kong is granted by the Hong Kong Government, which also appoints the bank's "Taipan" as members of the Executive Council according to law. After the bank announced its change of legal domicile, Hong Kong Government's financial secretary immediately expressed support. This cannot but make people doubt whether the Hong Kong British authorities, in this incident, have

fulfilled their responsibility toward Hong Kong's stability and prosperity in the transition period.

As a bank enjoying the privileges of a central bank, Hong Kong Bank should shoulder corresponding obligations and duties. This move however, cannot but make people think that it only wants to enjoy privileges and does not want to shoulder obligations and duties. This cannot be viewed as a wise move, in the sense of obligation, legal system, and the interest of the Hong Kong people.

The Chinese Government has always upheld a policy that is beneficial to Hong Kong's stability and prosperity; it hoped that Hong Kong Bank would make contributions to safeguarding Hong Kong's stability and prosperity during the transition period. More than once, the Chinese Government told the responsible persons of Hong Kong Bank that it hoped that the bank would remain a note-issuer after 1997. Numerous facts prove that China's sincerity in implementing the "one country, two systems" and protecting British capital in Hong Kong is undoubtable. Regrettably, the "restructuring" move by Hong Kong Bank indicates that it only pays attention to its privileges in Hong Kong—including the privilege to issue notes—but neglects its influence on the prosperity and stability of Hong Kong. People cannot but regret this.

This move, which lacks a long-term perspective, is neither beneficial to the stable transition of Hong Kong nor beneficial to the development of Hong Kong Bank. Historical development will eventually come to a fair conclusion on whether the move safeguards or jeopardizes Hong Kong's stability and prosperity.

Bank Move Viewed

*HK1812054590 Hong Kong TA KUNG PAO in Chinese
18 Dec 90 p 2*

[Editorial: "Hong Kong and Shanghai Banking Corporation Should Prudently Consider Its Responsibility Toward Hong Kong"]

[Text] Yesterday evening, the Hong Kong and Shanghai Banking Corporation announced the establishment of a new holding company in London and the practical action it had taken to change its legal domicile. This immediately caused strong repercussions in the market, and many people expressed deep concern, asked whether this was a wise move or not, and were worried about the negative influence that could be brought about.

The reactions of the stock markets were straightforward. The market was flooded with rumors about the change of legal domicile by the Hong Kong and Shanghai Banking Corporation during the morning, resulting in a big drop of 73 points in the Hang Seng Index, a reduction of 2.3 percent. Subsequently, the news was verified, and Hong Kong stocks on the London market dropped further. This shows that the market universally holds that the action by the Hong Kong and Shanghai Banking Corporation has struck a blow to confidence in Hong Kong's prosperity and stability. Repeated reductions in the stock price of the

Hong Kong and Shanghai Banking Corporation have caused its stockholders to incur serious losses.

In yesterday's statement, the Hong Kong and Shanghai Banking Corporation, on the one hand, admitted that Hong Kong is an important market that can provide the bank with ideal profits and that it will "continuously remain headquartered in Hong Kong"; on the other hand, it said that in view of the fact that "Hong Kong is facing unprecedented constitutional status" the Hong Kong and Shanghai Banking Corporation, therefore, has to carry out structural reorganization by moving its holding company to London. This statement is self-contradictory and can hardly justify itself. Although it was declared that after the change of legal domicile all its operations would remain unchanged, people still feel that the changes in the responsibilities and duties involved will produce more extensive effects.

Of all the banks in Hong Kong, the Hong Kong and Shanghai Banking Corporation always has enjoyed conditions, status, and a role different from the others. It is the main note-issuing bank, the central clearing bank, and the major correspondent bank for the Hong Kong Government. It also performs the functions of the final creditor in the bank supervisory structure of Hong Kong. On the basis of such superiority, and in the wake of the prosperous growth of Hong Kong's economy, the Hong Kong and Shanghai Banking Corporation has unremittingly developed and grown strong. It had comparatively few assets in the past, but it is now ranked in the top rank of large-scale international banks. No doubt, the Hong Kong and Shanghai Banking Corporation can produce an important influence on Hong Kong's finance and economy. It is because of this that when the Hong Kong and Shanghai Banking Corporation adopts an important policy decision, it must prudently consider whether it is advantageous or disadvantageous to Hong Kong's prosperity and stability.

In the past, the change in the legal domicile of Jardine Matheson Holdings Ltd. caused turbulence in the stock market. The Hong Kong and Shanghai Banking Corporation now also is taking this road, and the stock market reacted to it by dropping sharply. It can be seen that investors expect the large influential companies to regard the interests of Hong Kong as a premise, and they must not do things detrimental to Hong Kong people's confidence. It is remembered that in the beginning of October this year, when Chinese Premier Li Peng was meeting with William Purves, chairman of the board of the Hong Kong and Shanghai Banking Corporation, in Beijing, Purves declared that the bank and the Chinese Government were identical in their views on Hong Kong's future and said that the bank was willing to play an important role in Hong Kong's economic life and had no intention of leaving Hong Kong. How can it be said that the bank and the Chinese Government are identical in their view on Hong Kong's future when the bank is now changing its legal domicile? Will this "reorganization" action be advantageous to Hong Kong's prosperity and stability, to confidence in investment, and even to the status and role of the Hong Kong and Shanghai Banking Corporation in Hong Kong in the future?

Piers Jacobs, financial secretary of the Hong Kong Government, also issued a statement on the Hong Kong and Shanghai Banking Corporation's decision on "reorganization" and disclosed that the Hong Kong Government had been notified in advance. Piers Jacobs also declared that the Hong Kong and Shanghai Banking Corporation's decision had met with the approval and support of the Hong Kong Government. Although the Hong Kong Government stresses that this is a "commercial decision" by the Hong Kong and Shanghai Banking Corporation, the Hong Kong Government cannot, in fact, shirk its political responsibility in this matter. According to the provisions of the Sino-British Joint Declaration, during the transition period, the British Government has a duty to maintain Hong Kong's prosperity and stability. May we ask is the Hong Kong Government's "support" of the change in the legal domicile of the Hong Kong and Shanghai Banking Corporation advantageous or disadvantageous to Hong Kong's prosperity and stability? People hope that the Hong Kong Government will fulfill its commitments and do more things favorable to Hong Kong's prosperity and stability and not approve of and encourage actions changing the legal domicile of large companies with British capital.

The Chinese Government and leaders have reiterated on many occasions that the policy of "one country, two systems" remains unchanged, the policy toward Hong Kong remains unchanged, and that they will make necessary contributions toward the support of Hong Kong's prosperity and stability, just as in the past. In view of this, investors can rest assured at present and in the future. It is China's policy toward Hong Kong that the long-term interests of the investors, including the long-term interests of companies with British capital, in Hong Kong are protected according to the law. These interests can only be achieved with Hong Kong's prosperity and stability as a prerequisite. The financial groups and organizations that obtain interest from Hong Kong must also fulfill their necessary responsibilities and commitments to Hong Kong. The Hong Kong and Shanghai Banking Corporation has always enjoyed a special status in Hong Kong and has operated in Hong Kong for 120 years. Its hasty change in its legal domicile constitutes unfavorable influence on confidence in Hong Kong. Has it taken its necessary responsibility into consideration? It is natural that people feel concerned about this.

PRC Urges More Consultations With UK

HK1512024190 Hong Kong SOUTH CHINA MORNING POST in English 15 Dec 90 p 2

[By Kent Chen]

[Text] The head of the Chinese side of the Sino-British Joint Liaison Group (JLG), Mr Guo Fengmin, yesterday urged Britain to hold more consultation with China on matters affecting Hong Kong after 1997.

Speaking after the JLG's latest round of talks, Mr Guo said increased consultation was necessary in view of the approach of 1997 and new developments during the transitional period.

During the meeting, China had reached agreement with the Britain that it should be kept informed of major franchises extending beyond 1997.

Mr Guo's statement came immediately after Mr Lu Ping, the director of the Hong Kong and Macao Affairs Office under the State Council, told the Hong Kong Government to explain its financial position on the new airport plan.

Local New China News Agency (NCNA) officials also earlier stepped into the dispute between the Government and indigenous New Territories inhabitants over the controversial Town Planning (Amendment) Bill.

All matters involving the smooth transfer of sovereignty, the duty of the post-1997 Hong Kong Special Administrative Region [SAR] government and the fundamental interests of Hong Kong residents should be discussed, Mr Guo said.

"The Chinese side believes that the guiding principle for the consultations are that the Joint Declaration and the Basic Law must be firmly observed, and the interests of Hong Kong residents must be resolutely safeguarded," he said.

"We have raised some problems for discussion in the past year and I am sure more topics will be put forward for consultation.

"Although there is increasing consultation at present, this should be brought a step further.

"Only by doing so can we tally with the need of the actual situation during the transitional period."

Mr Guo stressed that the JLG was only one of the many channels that could be used for negotiations.

"There could be a great deal of flexibility on the way of conducting consultation. It can be carried out through the JLG as well as other channels," he said.

Although Mr Guo said the latest JLG meeting did not go into detail about the new airport, he emphasised that China should be consulted about such important projects.

During the four-day meeting, the two sides agreed on mechanisms to keep China informed about major franchises which extend beyond 1997.

The head of the British team, Mr Anthony Galsworthy, said: "I think it is entirely natural that the Chinese should be interested in details of what we do not that will affect the position after 1997."

"We think it is perfectly reasonable to give China information on things which affect the position of the SAR government after 1997 substantially. After all, Hong Kong will be part of China after 1997."

Pressed on what sort of franchises would be affected under the agreement, both Mr Guo and Mr Galsworthy said they did not go into detail on the issue.

"We were not talking about particular franchises, we were talking about the question of franchise in general," said Mr Galsworthy.

He said the consensus on the question of franchise had nothing to do with the new airport.

But Mr Guo asked: "If there are elements of franchise in the new airport project, do you think they are major franchises?"

Asked whether the agreement would lead to Chinese intervention in decisions concerning franchises, Mr Galsworthy said: "I have no indication that the Chinese wish to be involved in decisions as to which entity should be awarded any particular franchise.

"Decisions of such matter are, of course, for the Hong Kong Government before 1997 and the Hong Kong SAR government after 1997."

But Galsworthy said the Government "would listen" if China had an opinion on the awarding of franchises.

He said information would be passed on to the Chinese through the JLG when franchises were going to be extended.

On the setting up of the Court of Final Appeal in Hong Kong, both sides said there was progress during the meeting but no agreement was reached on when the court should be established.

"There are still a lot of legislative procedures to go through and a lot of preparatory work to finish. As soon as conditions are ready, it could be set up," Mr Guo said.

Mr Galsworthy said the difference between China and Britain on the issue had been narrowed but not completely eliminated.

"We concluded that further work would be necessary before full consensus is achieved on this issue," he said.

Asked whether the court could be set up by 1992, Mr Galsworthy said: "It is hard to say exactly when, but I would hope on that sort of time scale."

Zhou Nan Sees Closer Relationship With Shenzhen

HK1812013790 Hong Kong HONGKONG STANDARD
in English 18 Dec 90 p 4

[Text] Director of Xinhua's Hong Kong branch Zhou Nan yesterday envisaged a future closer working relationship between Hong Kong and neighbouring Shenzhen.

He was speaking after opening an industrial products fair for the Shenzhen Special Economic Zone.

Shenzhen vice mayor Zhu Yuening said a proposal for a tariff-free zone in Shenzhen had been submitted to China's State Council.

Mr Zhou refused to comment on the feasibility of such a zone but said the future relationship of Hong Kong and Shenzhen would be complementary and become even closer to boost foreign investment, including that from Hong Kong to the special economic zone.

Mr Zhu yesterday also revealed that three stolen Mercedes Benz were recently recovered by mainland security.

He said since the key data showing the origin of the vehicles were deliberately removed, Shenzhen authorities could not immediately verify their origin.

'Roundup' Notes Growing Investment in Hong Kong

*OW1712133890 Beijing XINHUA in English
1304 GMT 17 Dec 90*

[“Roundup: Growing Overseas Investment in Hong Kong”—XINHUA headline]

[Text] Hong Kong, December 17 (XINHUA)—Despite its economic slowdown this year, Hong Kong is still a “magnet” for investments, luring more and more overseas funds.

In the first half of this year, statistics show, overseas investments accounted for nearly 50 percent of Hong Kong's total investments in large projects above 10 million H.K. [Hong Kong] dollars.

Of the newly added investments of 240 billion H.K. dollars (31 billion U.S. dollars) in large projects throughout Hong Kong during the period from 1986 to 1988, about 74 billion H.K. dollars (9.5 billion U.S. dollars) came from overseas investors.

Last year, overseas investments in Hong Kong's large projects amounted to 33 billion H.K. dollars (4.2 billion U.S. dollars), which represented an average annual increase 34 percent higher than the average of the previous three years.

Japan has now become the largest overseas investor in Hong Kong.

In a recent interview with XINHUA, Hiroshi Zaizen, president of the Japanese Chamber of Commerce in Hong Kong, said that Hong Kong is the most attractive destination for investors in Asia.

He noted that in recent years, the appreciation of Japanese yen raised Japan's domestic production cost, so more and more Japanese enterprises set up their factories abroad. This trend will go on.

Zaizen said that Japanese investments in Hong Kong totalled 1.66 billion U.S. dollars in 1988, and rose to two billion U.S. dollars last year. Such investments in 1990 are expected to be even more enormous than those of last year, he added.

Japan's accumulated investments in Hong Kong are estimated at more than 63 billion H.K. dollars (eight billion U.S. dollars).

John T. Kamm, president of the American Chamber of Commerce in Hong Kong, noted that although the growth of U.S. investments in Hong Kong has slowed down in recent years, the United States is still the second largest overseas investor here.

The total of U.S. investments in the manufacturing industry here has reached 1.4 billion U.S. dollars, accounting for 31 percent of the total overseas investments in Hong Kong's manufacturing industry.

Four more U.S.-funded works have been set up in Hong Kong in 1990, raising to 162 the total number of U.S.-invested factories here.

At present there are 400 U.S. companies in Hong Kong with their total investments surpassing seven billion U.S. dollars.

Kamm said U.S. investments in Hong Kong are closely linked to those in the Chinese mainland.

The investment mode of “setting up headquarters in Hong Kong and establishing factories in the mainland” will continue, he said.

Southeast Asian countries are the third major source of overseas investment here. It is estimated that Hong Kong has absorbed a total of 70 billion H.K. dollar (8.9 billion U.S. dollar) funds from Southeast Asian countries.

Their investments cover a wide range of areas such as finance, property, trade, manufacturing and shipping industries, and telecommunications. Investments in Hong Kong from Australia, Taiwan and South Korea also increased rapidly in recent years.

Macao

Ye Xuanping Writes Title for Macao Poetry

*OW1712124790 Beijing XINHUA in English
1224 GMT 17 Dec 90*

[Text] Macao, December 17 (XINHUA)—Selected poems reflecting Macao's history in the last 400 years have been published by the Macao Publishing House here.

The selections contain over 200 poems by more than 50 people who are residents in Macao or have paid visits to it.

The title of the selections is written by Ye Xuanping, governor of the Guangdong Province.

END OF

FICHE

DATE FILMED

19 Dec. 1990

